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Second East Asia Congress

Promoting Labour Mobility in East Asia

The last two decades have seen a marked rise in the mobility of people in East Asia. Yet regional cooperation in labour mobility remains negligible. Temporary, ad-hoc and unilaterally determined policies on labour mobility must make way for more permanent solutions that will work for both sending and receiving countries. Vijayakumari Kanapathy reports.

Chaired by H.E. U Ba Thwin, Advisor to the Ministry of Foreign Affairs, Myanmar, this Panel's discussants were Dr Manola Abella, Chief, International Migration Branch, International Labour Organisation; Prof Ma Yongtang of the Institute for International Labour Studies, Ministry of Labour and Social Security, China; Prof Young-Bum Park from Hansung University, Korea; and Dr Carunia Mulya Firdausy of the National Centre for Economic Studies, Indonesian Institute of Sciences.

Regional cooperation in labour migration

During the 1990s, the gross emigration rate rose at an annual rate of 6 percent for the Asian region as a whole – in other words, migrant labour growth has been almost twice that of labour force growth. Labour mobility has emerged as the third dimension of regional integration, after trade and investment.

Yet, regional cooperation in labour migration hardly exists. The present regional migration system is largely built on temporary foreign worker policies, since attitudes towards immigration, especially of the unskilled, remain fairly closed.

Economic and demographic differences between member nations are the principal driving forces behind labour migration. As long as the economic divide remains, labour migration will be a permanent feature in East Asia. Yet, in contrast to the level of regional cooperation in the movement of goods, services and capital, cooperation in labour mobility is negligible. A few migrant-receiving countries (among them Japan, South Korea and Malaysia) have engaged in bilateral labour agreements, but the bulk of labour migration in East Asia is unregulated, with private intermediaries playing a prominent role.

Current issues, future trends

The majority of migrant workers are unskilled or semi-skilled, and are employed in “3-D jobs” (dirty, dangerous and demanding) that are shunned by the locals. Policy has much to do with this phenomenon. The admission of unskilled foreign labour has been envisaged purely as a means of dealing with imbalances in the labour market which are expected to be transitory. Work permits, although renewable, are usually issued for not

longer than a year. Permits are also tied to specific employers to whom they are granted, precluding the mobility of the foreign worker in the local labour market. Family reunification is restricted only to those earning above a certain wage threshold. These restrictions are designed to minimise the possibility of permanent settlement. Only Singapore has a policy of encouraging skilled and professional workers to obtain permanent residence and subsequently citizenship status.

Another significant issue in labour mobility is the menacing problem of clandestine migration among the lower-skilled workers. Irregular migration impacts negatively on the economy and society by raising social and security concerns and straining diplomatic ties. At the same time, irregular migrants are open to exploitation with little or no legal recourse. Greater cooperation within and between nations is required to discourage irregular migration. Present disincentives to migrate through legal channels, such as the high financial cost of migrating and excessive regulation, must be avoided.

Of late competition for highly skilled workers has intensified, introducing a new dimension to international labour migration. Skilled migrants account for fewer than 10 per cent of total labour movement and are mostly related to regional integration through trade and investment. The coming decades are likely to see a rise in the flow of highly skilled workers because of the decline in fertility and aging population in most East Asian countries, and the structural changes reflecting global trends towards greater trade in knowledge-based services and industries.

The impact of labour migration

Labour migration has both positive and negative effects on sending and receiving countries. From the perspective of labour-receiving countries, labour imports assist in the national strategy to deal with labour scarcity, but it also brings with it socio-political and economic problems.

Trade unionists, for instance, claim that labour inflows adversely affect employment opportunities for local unskilled workers, who then have to compete with migrant workers in an environment where wages and living standards are suppressed. General public concerns, meanwhile, centre on the social and security risks associated with the presence of large numbers of migrant workers. Policy makers believe that heavy reliance on cheap foreign labour tends to slow down economic restructuring and productivity growth in the economy.

Labour-sending nations, on the other hand, benefit from growing foreign exchange earnings, and reduced pressure on high unemployment rates. At the same time, however, they encounter disruptions to family lives and social and political pressures from mistreatment of their workers overseas.

Significant differences exist in the sending and receiving countries in terms of policies governing migrant workers. Only Singapore, and to a lesser extent Malaysia, have explicit policies towards foreign workers. Japan and South Korea have thus far avoided

explicit acceptance of migrant labour, instead addressing their demand for migrant workers by permitting backdoor entry via trainee programmes. The situation in Thailand appears to be a virtual non-system, with a regime that periodically cracks down on, but otherwise largely tolerates, uncontrolled clandestine migration.

These differences notwithstanding, nations have generally become more tolerant of migrant workers, in the face of growing labour market imbalances.

Help wanted: a regional framework on labour mobility

It is clear that the challenges in managing regional labour migration are becoming more difficult and complex, and the present unilateral approach is fraught with problems.

In light of the arguments put forth by the paper presenters, there was a unanimous call from participants for a regional framework to coordinate the movement of migrant labour within the region, in order to maximise benefits and minimise costs of labour migration.

There is no shortage of international instruments to protect the rights of migrants. But few countries have ratified the ILO and UN Conventions governing migrant workers. Even those nations that have ratified the Conventions find it difficult to enforce the regulations unilaterally.

At the same time, there are inherent reasons why multilateral agreements on labour migration are equally, if not more problematic. First, labour migration, unlike trade or investment, impinges on national sovereignty and identity. Second, there is no consensus on a set of operational principles for informed policy debate.

Among participants of this session, it was generally agreed that the problem is not migration, so much as the management of migration. There was a call for a unified coordinating body to forge greater cooperation in labour movement within the region. It is also important for receiving countries to accept and acknowledge the contribution of migrant workers, and protect their rights and interests by adopting a more open policy towards international migration. Employers and recruiting agents must be closely monitored to prevent labour and human rights violations. How migrants are perceived in the host countries is key to promoting effective cooperation at the regional level.

Current labour migration policies are unlikely to meet the future requirements for greater mobility among highly skilled labour within the region. The big immigration countries elsewhere are already tapping many of the region's best and brightest through their student programmes, liberal admission policies for professionals, guarantees of equal treatment and enjoyment of welfare system benefits, and offers of access to the labour market for family members. If the East Asian countries are to succeed in this competition, they must now begin to put in place building blocks, not only for the admission of skilled foreign workers into their labour markets, but also for their integration into their societies.