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Working Paper

Managing International Labor Migration in ASEAN: Themes from a Six-Country Study

PIDS Discussion Paper Series, No. 2013-26

Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

Suggested Citation: Orbeta, Aniceto Jr. C.; Gonzales, Kathrina G. (2013) : Managing International Labor Migration in ASEAN: Themes from a Six-Country Study, PIDS Discussion Paper Series, No. 2013-26, Philippine Institute for Development Studies (PIDS), Makati City

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<https://hdl.handle.net/10419/126946>

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Managing International Labor
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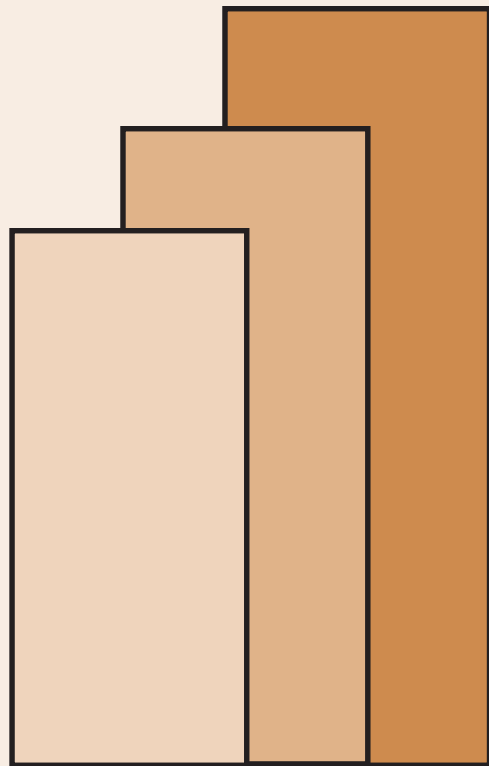
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DISCUSSION PAPER SERIES NO. 2013-26

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April 2013

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Managing International Labor Migration in ASEAN: Themes from a Six-Country Study¹

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March 2013

Abstract

The study presents a summary of the six-country study on managing international labor migration in the Association of Southeast Asian Nations (ASEAN)³. The countries are grouped into sending (Cambodia, Indonesia, Philippines) and receiving (Malaysia, Singapore, Thailand). The objective was to share international migration management issues from the perspective of a sending or a receiving country. The country research teams were asked to identify and study a specific migration management issue that is deemed current and reflective of the primary migration management experience of the country.

For sending countries, the Cambodia research team studied the high frequency cross-border crossings into Thailand that is dominated by irregular migrants. The Indonesian research team looked at the role of local governments in migration management as the country embarked into substantial decentralization process. The Philippines research team look at the management of massive deployment flows spanning thirty years with special attention to the most vulnerable group – the household service workers. For receiving countries, the Malaysian research team looked at their experience in the continuing running battle with irregular migrants. The Singaporean research team look at the close interaction between the needs of the economy for migrant workers and their desire not to be too dependent on them. The Thai research team described the experience at the crossroad of being both a receiving and still a sending country.

The studies have highlighted seven important themes on international labor migration management in ASEAN, namely: (a) the importance of integrating international migration into national and regional development efforts; (b) the importance of both bilateral and multilateral agreements; (c) the importance of recognizing differences in labor market policies in sending and receiving countries in designing protection for migrant workers; (d) the need to consider general administrative capacities in designing migration regulatory efforts; (e) the importance of involving sub-national bodies in migration management; (f) the need to broaden cooperation in handling irregular migration; and (g) the recognition that the protection envisioned by the state need not be the one “desired” by the migrant, hence, the need to check often to find out the effectiveness of protection measures.

Keywords: International Labor Migration, ASEAN
JEL: F22, J61

¹ An earlier version of this report has been presented 16th International Metropolis Conference, Ponta Delgada, The Azores, Portugal, 12-16 September 2011.

² Senior Research Fellow and Supervising Research Specialist, Philippine Institute for Development Studies. Opinions expressed here are solely of the authors and do not necessarily reflect those of the Philippine Institute Development Studies nor of the International Development Research Center. Michael Abrigo and Michael Cabalffin have contributed substantially in implementing this research project. All errors, however, are the sole responsibility of the authors.

³ The study is implemented by the Philippine Institute for Development Studies and five other research institutes in the region and funded by the International Development Research Center (IDRC), Canada.

Managing International Labor Migration in ASEAN: Themes from a Six-Country Study¹

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Introduction

The Association of Southeast Asian Nations (ASEAN) is home to 604 million people (as of 2011) of which about a little less than half (263 million) are working age (ASEAN Statistics). Using estimates based on bilateral migrant stock³ in 2011, it contributes 12.8 million or 6 percent of the total 216 million migrants of the world 3.9 million or 30percent of which are migrants within ASEAN. This proportion of movements within ASEAN is rapidly rising. International migration has become an important and integral component of development in many countries, including Southeast Asia. It has brought benefits to (a) migrants and their households, (b) countries to which they contribute their manpower, and (c) countries of origins to which they transfer back money, knowledge, and skills. It has also accompanying economic and social costs at the household, community and country levels for both sending and receiving countries.

This paper summarizes the themes that can be gleaned from seven country studies⁴ undertaken between July 2009 to December 2011 under the project called "Different Streams, Different Needs and Impacts: Managing International Labor Migration in ASEAN." The project is funded by the International Development Research Center (IDRC) of Canada and coordinated by the Philippine Institute for Development Studies. By design the project selected three sending countries (Cambodia, Indonesia, Philippines) and three receiving countries (Malaysia, Singapore, Thailand). The underlying premise of the whole effort is that countries in ASEAN have varied experiences as sending and receiving countries and that we can learn from each other. Furthermore, it was also deemed beneficial to examine together migration management issues from both sending and receiving country perspective. The researchers were asked to

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³ WB Bilateral Migration and Remittances Matrix, 2011

⁴ Unlike the other participants, TDRI submitted two country studies.

choose and focus on important migration management issues from the perspective of being a sending or a receiving country. Policy research institutions which have a track record of being players in domestic policy discussions were selected for each country namely: Cambodia Development Resource Institute, the SMERU Research Institute for Indonesia, the Philippine Institute for Development Studies, the Institute of Malaysian and International Studies, Singapore Institute of International Affairs, and the Thailand Development Research Institute. The Cambodian researchers selected the issue of managing irregular migrants which is a major issue in the border with Thailand. Indonesia researchers picked the migration management in a decentralized regime. As the country embarked on a decentralization effort, it was deemed that the role of sub-national units needed to be looked at. The Philippines is often mentioned as a model in managing massive migration flows by institutions such as the International Organization for Migration (IOM). The Philippine research team then looked at the deployment management infrastructure for overseas Filipino workers (OFWs) with special focus on the most vulnerable group, namely, the household service workers (HSWs). This is also the biggest group deployed in terms of skill category. For receiving countries, the Malaysian researchers studied the issues on its seemingly never ending running battle with irregular migrants. The Singaporean researcher provided a perspective of how the country is managing foreign workers. Finally, researchers in Thailand discussed the issues of both the immigration and well as emigration of Thai workers. It is noteworthy that the topics chosen also covers the main features of the ASEAN migration issues such short-term cross-border movements, longer-term deployments, irregular migration, foreign workers in national development of sending and receiving countries and the nascent role of sub-national bodies in migration management.

Seven themes on migration management can be gleaned from the country reports. These include: (a) the importance of integrating international migration into national and regional development efforts; (b) the importance of both bilateral and multilateral agreements; (c) the importance of recognizing differences in labor market policies in sending and receiving countries in designing protection for migrant workers; (d) the need to consider general administrative capacities in designing migration regulatory efforts; (e) the importance of involving sub-national bodies in migration management; (f) the need to broaden cooperation in handling irregular migration; and (g) the recognition that the protection envisioned by the state need not be the one “desired” by the migrant, hence, the need to check often to find out the effectiveness of protection measures. While many of these themes are not new, the experience of study countries as sending and receiving countries provide them with novel twists and perspectives.

The rest of the paper is organized as follows. The next section provides a brief overview of migration flows and policies in ASEAN. The discussion of the seven themes follows. The last section provides a summary.

International Labor Migration in ASEAN

In August 8, 1967, the ASEAN was created to foster cooperation and to promote regional peace and stability through adherence to the principles of the United Nations Charter (ASEAN website). Currently, there are 10-member countries that make up the ASEAN namely Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam (See Figure 1). ASEAN total population is 604 million (as of 2011) with a working population of at least 263 million (ASEAN Statistics, 2013).

Figure 1. Map of ASEAN



Source: ASEAN website

Bilateral migration stock data reveals that the ASEAN region supplies around 6 percent of world's migrant workers and at least 30 percent of them migrate within-ASEAN (Table 1). The main labor destination countries in the region are Malaysia, Singapore, and Thailand. Cambodia, Indonesia, Philippines and Vietnam are mainly the origin, or labor sending countries. Even if what are presented are only the study countries and not the whole ASEAN, it demonstrates what can be expected from the rest of ASEAN such as that the biggest flows are among those that share borders such as Cambodia and Thailand; Malaysia and Indonesia and Philippines.

Table 1. Supply of migrant workers by country and destination, 2011

Country		Destination							
		MYS	SGP	THA	KHM	IDN	PHL	ASEAN	World
Source	MYS		1,060.6	3.4	-	-	0.3	1,146.8	1,481.2
	SGP	103.3		2.1	0.6	-	0.3	109.4	297.2
	THA	79.6	-		142.8	-	0.2	236.8	811.1
	KHM	-	-	49.8		-	0.2	50.9	350.5
	IDN	1,397.7	102.3	1.5	0.5		5.9	1,514.6	2,504.3
	PHL	277.4	-	3.4	0.7	-		297.4	4,275.6
	ASEAN	1,883.0	1,163.0	448.2	320.6	-	9.1	3,954.4	12,852.0
	World	2,357.6	1,966.9	1,157.3	335.8	122.9	435.4	6,700.9	215,763.6

Bilateral Migrant Worker Stock (thousands); figures for ASEAN are understated due to missing values in bilateral matrix

Source of basic data: WB Bilateral Migration and Remittances Matrix, 2011

Table 2 presents a summary of wide disparity of the ASEAN countries in terms of development levels and how important labor migration is for each of them. In terms of level of development, per capita output varies widely with Singapore at almost 60,000 PPP to Cambodia's 2,000 PPP. It is clear from the table that like in many regions of the world, the receiving countries in the regions are the more progressive ones. In terms of structure of the economy, as high as 36 percent of output is contributed by agriculture (Cambodia) while others can be around 10 percent (such as Malaysia) or no recognized agriculture (such as Singapore). Dependence on foreign workers also varies widely. We see very high dependence for some such as Singapore with as much as 63 percent of its workers are foreign born while only 3 percent of Thai workers are foreign born. For sending countries, the proportion of remittance receipts to gross national

income can be as high as 11 percent for the Philippines or relatively low at only 1 percent for Indonesia.

Table 2. Contribution of migrant workers by country

Country	GDP (PPP, B)	percent of GDP			GDP per capita (PPP, '000)	Labor Force		Remittance (percent)		
		Agri	Service	Industry		percent FB	percent MW	Outflow/ GDP	Inflow/ GNI	
Net Receiver	MYS	414.4	10.4	43.6	46.0	14.8	20.5	12.9	2.4	0.7
	SGP	291.9	-	-	-	56.8	62.7	9.5	2.7	-
	THA	586.8	12.4	44.7	42.9	8.6	3.0	2.1	0.6	0.6
Net Sender	KHM	30.4	36.0	23.0	41.0	2.2	-	-	3.8	3.4
	IDN	1,029.8	15.3	47.0	36.6	4.4	0.1	2.1	0.0	1.0
	PHL	367.4	12.3	32.6	55.1	3.9	1.1	11.1	0.2	10.7

percentFB – percentforeign-born worker (= FB / LF); percentMW – percentmigrant worker (= MW / LF)

Source of basic data: WB World Development Indicators, Bilateral Migration and Remittances Matrix, ADB Statistical Database System

In 2007 ASEAN passed the Declaration on the Protection and Promotion of the Rights of Migrants which commits ASEAN. It falls short of assuring equal opportunity and treatment but certainly is a bold step toward improving protection of migrant workers. Another ASEAN initiative is the ASEAN Economic Community (AEC) Blueprint which provides for the free movements of skilled labor by 2015. That the AEC only covers skilled workers and does not cover unskilled workers is a letdown because the latter dominate the flows of migrant workers not to mention the problems. The recent mid-term review⁵ done by the Economic Research Institute for ASEAN and East Asia (ERIA) reported the completion of the mutual recognition agreements (MRAs) in seven professions (Engineering, Nursing, Architecture, Surveying, Medical, Dental, and Accounting). What is even more significant about the review is that

⁵[http://www.eria.org/Mid-](http://www.eria.org/Mid-Term-Review-of-the-Implementation-of-AEC-Blueprint-Print-Executive-Summary.pdf)

[Term-Review-of-the-Implementation-of-AEC-Blueprint-Print-Executive-Summary.pdf](http://www.eria.org/Mid-Term-Review-of-the-Implementation-of-AEC-Blueprint-Print-Executive-Summary.pdf)

recognizing the potential economic impact of a freer movement of unskilled labor is large it recommends that the next steps cover unskilled workers.

Themes from the ASEAN Labor Migration Management Experience

1. Integration of International Labor Migration into National and Regional Development

The better integration of international labor migration into the national development agenda of both sending and receiving countries and even in regional bodies is a well-recognized issue globally. It is a theme in many migration conferences and in fact a global forum has been created for it – the Global Forum on Migration and Development (GFMD). Yet it is clear from this study that this far from being achieved in the study countries. Like in many other countries, international labor migration is mostly dealt with in isolation particularly when arguing for or against foreign workers. The design of the study to look at migration issues from both sending and receiving country perspective has highlighted issues in a way that is not available by looking at it from either perspective. This particular perspective highlights that both sending and receiving countries should never look at the costs and benefits of foreign workers separately. There are benefits and cost to sending workers abroad and having foreign workers in receiving countries. Looking at benefits and costs separately will only lead to endless debate that will be downright unfruitful. A beneficial and less continuous approach is to integrate international migration and migrant workers better into the development agenda of countries – a case that almost everyone agree but is seldom translated into action.

Sending countries are keen on the role of international migration as a short-term solution to lack of employment opportunities domestically and on receiving substantial inflows of remittances. Cambodia points to poverty and lack of employment opportunities as the main reason for migration even in an irregular manner risking apprehension and accepting lack of protection. The Philippines that currently deploys more than a million workers annually, receives substantial amount of remittances (more than 10 percent of GDP) which fuels considerable domestic economic activity. At the household level, several studies show a positive impact of migration and remittances on human capital investments in health and education (Orbeta, 2008). There are also positive impacts on housing and poverty incidence even if there are conflicting results in other areas such as labor force participation of those who are left behind and direct investments of households. Analysts have pointed out that too much dependence on remittances which may trigger a Dutch disease phenomenon – dependence on remittances can lull sending countries into being complacent in reforming their domestic economies to improve longer term growth prospects.

There are social costs of sending workers abroad that need to be recognized as well. The highlights of the review done by Zosa and Orbeta (2008) for studies done in the Philippines include that the ones highly affected are young children. It was also pointed out that the parent who is left behind is also affected because they need to assume the roles of the spouse that left to work abroad. Moreover, the communication revolution may possibly ease a little bit the problem of absence of parents but no one believes they can be perfectly substitute for the absence of a parent.

In receiving countries, foreign workers are recognized as important to the development. Singapore for instance recognized that the presence of foreign workers allowed them to grow beyond the limits of what could have been allowed by their own population growth and human resource development programs (Chia, 2011). Paitoonpong (2011) echoes this for Thailand with a quantitative estimate of a 2.3 percent per year contribution of migrants from Cambodia, Myanmar, Lao PDR (CML) countries. In addition, it was pointed out that several regions benefited more than the national average from the presence of migrant workers (Paitoonong, 2011 citing Athukorala et. al, 2000). A simulation study also pointed out sectoral differences in impact of a removal of foreign workers with agriculture hurt most followed by manufacturing and then services declining by -1.33 percent, -0.9 percent and -0.53 percent, respectively. (Paitoonpong, 2011 citing Pholphirul et al., 2010). Even with its seemingly unending battle with irregular migrants Kassim and Haji Matt (2011) acknowledges the positive contribution of foreign workers to economic growth of Malaysia.

Besides their contribution to overall growth in destination countries, several other benefits have been identified. Foreign workers in Singapore provide cyclical buffer with ready workers in periods of booms although viewed differently in times of crises. Similar attitudes are also noted in both Thailand and Malaysia. Foreign workers have also assumed low-wage 3D jobs in Singapore that natives prefer not to take anymore. They also provide domestic workers so that middle class women in Singapore can participate in the labor force. Paitoonpon (2011) has pointed out the positive relationship between foreign direct investment (FDI) and foreign workers in Thailand. Foreign workers have also kept wage costs down and maintain the receiving countries' competitiveness for labor-intensive industries.

On the other hand, there are also costs of the presence of foreign workers in destination countries that are expressed in several forms. Both Singapore and Thailand have viewed them as the drag slowing down the restructuring of their economies toward higher skilled industries. They are even tagged as the main reason for the survival of labor-intensive industries that these countries want to get rid of. Chia (2011) also pointed out that perhaps middle class Singaporean families have become too dependent on foreign domestic workers. In times of a crisis, the view of foreign workers suddenly changes from being complements to being

competitors for jobs. When white-collar workers in Singapore got retrenched because of the crisis, they now looked at foreign workers as competitors rather than complements (Chia, 2011). Foreign workers, particularly the irregular ones, have been charge with almost everything vile from fostering crime to spreading diseases in Thailand and Malaysia.

It is clear that there are benefits and there are costs that need to be recognized. The tendency is to highlight benefits when everything is going well. When problems arise, there is sudden shift to highlight the costs even if the real causes are something else and migrants hardly had anything to do with them. This can be avoided by keeping them together as we plan national and even regional development. We cannot blame migrants for all slippages that happen in between. Sending countries dream of the day when their citizens no longer need to leave their shores to look for remunerative work. Receiving countries also wished for the day they are no longer dependent on foreign workers. Some even say we will continue to do so send and receive migrants as our normal participation in a globalizing world (Terrazas, 2011). Whichever it is that happens, we need to recognize well the benefits and cost of international migration and how they helped achieve the desired goals. This can only be done through a conscious and systematic integration of international migration in national and regional development agendas. Quotas or targets on how many migrants to deploy or accept should have no particular meaning independent of clearly defined development objectives.

Beyond the national development objectives are regional development objectives. Hing et al. (2011), for instance, laments that an integrated labor market is not part of *the* Greater Mekong Subregion (GMS) development agenda. Similarly, the ASEAN Economic Community (AEC) only talks about freedom of movements for professional workers and does not want to talk about movements unskilled and semi-skilled workers which dominates the flow of migrant workers (Orbeta, 2013). Paitoonpong (2011) recommends that a framework to govern the movement of lower skilled workers be studied, proposed and implemented. The recent mid-term assessment for the AEC also proposed that a framework for liberalizing movements of low-skilled workers be part of succeeding agenda (ERIA, 2012).

2. Role of Bilateral and Regional Agreements

There is general agreement among the researchers from sending and receiving countries on the importance of bilateral and regional agreements. Sending countries' deployment procedures and receiving countries labor protection laws almost always fall short in protecting migrant workers. International migration issues are deemed better addressed either bilaterally and regionally. The experience with memorandum of understandings (MOUs) between the CML countries and Thailand, for instance, had shown that these are effective in protecting the rights of migrant workers, regularizing irregular migrants, assuring that migrant workers go home at

the end of their employment contract and safeguarding remittances (Hing et al., 2011; Paitoonpong, 2011; Chalomwong, 2011). The ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers signed in 2007 is hailed as a step in the right direction by both sides (Chia, 2011; Hing et al, 2011; Orbeta and Abrigo, 2011). It has caused the organization of an ASEAN Committee on the implementation of the declaration and also the creation of the ASEAN Forum on Migrant Labor that will be a venue for regular consultations. There is also the AEC which provides for the free movement of skilled labor by 2015. Mutual Recognition Agreements (MRA) to facilitate this had been concluded for several professions. If the AEC framework can be expanded to cover low-skilled workers in the near future as recommended by the researchers (Orbeta, 2013; Paitoonpong, 2011; ERIA, 2012) then it would prove to be one important regional facility that can facilitate orderly international labor migration in the region.

Notwithstanding the good promise, the researchers pointed out that we should not be blind to the fact that implementing bilateral agreements may face similar problems as implementing national migration policies. The experience of Thailand in implementing its MOU with the CML countries is instructive. Paitoonpong (2011) identifies the following problems besetting the MOU implementation: (a) complex administrative demands required to implement provisions of the MOU; (b) relatively high cost of moving workers under the MOU; (c) precarious political situation in partner countries, particularly, Myanmar; (d) problems with nationality verification; and (e) questionable effectiveness as the high cost and complexity of legal migration has not been solved. It is noteworthy that these issues are very similar to those facing implementation of national migration policies.

3. On the Labor Market Policies of Sending and Receiving Countries

An accepted principle in the protection of workers is that they should be accorded the same protection as native workers (e.g. Article 6 of International Labour Organization (ILO) Convention 143). It is noteworthy that receiving countries in this study (Malaysia, Singapore and Thailand) have not ratified this particular convention. The ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers, as discussed above, fall short of declaring the same principle but nonetheless agreed on promoting the protection of migrant workers in accordance with domestic laws, regulations and policies. Thus, unless receiving countries ratify the ILO Convention 143, the differences in the labor market regulations of sending and receiving countries matters on the protection of migrant workers and should not be overlooked.

There are several specific examples that illustrate how differences in domestic labor market policies between sending and receiving countries matter in terms of protecting migrant

workers. One is the minimum wage requirement in the Philippine HSWs reform package implemented in 2006. This provision cannot be expected to be implemented in Singapore until it decides to adopt its own minimum wage regulation. It has been pointed out that the levy that Singapore applies to FDW may stand in the way of paying comparable wages to alternative destination countries such as Hong Kong and Taiwan. A good option to solve the problem of paying comparable wages is for the levy to be held in-trust and given to the foreign domestic workers (FDW) upon completion of contract (Chia, 2011). Another is the provision in the recently passed migration law in the Philippines which require that countries of destination should have basic worker protection regulations before deployment can be allowed which a good provision. This particular law have forgotten that major destinations in the Middle East may not have in place ILO-mandated basic worker protection regulations. In fact, perhaps as a reaction to the law, Saudi Arabia has recently unilaterally declared to stop hiring HSWs from the Philippines. Fortunately, this has been subsequently rescinded though.

The labor market tradition of treating the contract between employees and employers as a private matter has also prevented the Singapore government from intervening on matters of working hours and rest days for live-in domestic workers because they are not covered by the Employment Act. This particular act has provisions on one rest day per week, maximum working hours per week, mandated paid sick leave and limits to salary deductions which covers both local and foreign workers except for FDWs. A simple solution would have been extending the coverage of the Employment Act and Workmen's Compensation Act to FDWs and that only exemptions could be left to the negotiations between employer and FDWs (Chia, 2011).

The no visa policy of short visit travels within ASEAN by its nationals has created unintended problems. When an ASEAN visiting tourist gets registered with the Ministry of Manpower in Singapore, he is a legal migrant worker in the eyes of the Singapore government but not in the eyes of the source country. In the Philippines, a migrant worker needs to be registered as such with Philippine Overseas Employment Agency (POEA) when he/she leaves the country to be considered a legal migrant. Leaving as a mere visiting tourist and eventually landing a job in a destination country does not make one a legal migrant under Philippine laws.

Unilateral actions by receiving and sending countries have improved protection of migrant workers. One example is Singapore's legislation requiring registration and monitoring of employment agencies in their country has helped resolved the problem of double placement fees - one for recruiting agents in the source country and another to placement ages in Singapore (Chia, 2011). Another example is the joint and several liability (JSL) policies of the Philippines which makes the sending country recruitment agency and recruitment agency in destination countries jointly liable for the enforcement of terms of contract of workers they have deployed. Nonetheless, a couple of loopholes of this otherwise good practice have been

pointed out. These include coverage being limited only to new-hires while re-hires, an increasing proportion of deployed workers, are not covered. It also does not cover government-to-government placement (Ambito and Banson, 2011).

But unilateral actions can also result in undesirable results. Singapore has its own rules on working conditions and job requirements that it strictly enforces Singapore-style (Chia, 2011). But, of course, these rules are determined not considering labor market policies of sending countries and ILO conventions to which they are not signatories. A case in point is the stringent no pregnancy rule in Singapore has resulted in abortions among FDWs but this has not changed the policies of bi-annual and medical-cum-pregnancy check-up. (Battistella, Park and Asis, 2011).

4. On the Need to Consider General Administrative Capacity

In the rush to protect migrant workers' rights, often the regulation promulgated is way beyond what existing administrative capacity can implement effectively. Since regulation affecting migrant workers is seldom confined to a single agency but spans several agencies, the assessment needs to cover not just the directly migration-related agencies. Sophisticated regulations that don't get implemented well undermine the whole regulatory system and will encourage irregular transactions. Singapore is proud of the claim that they may have few regulations but they implement them well. Several examples can be cited where regulations and administrative capacity may not be in sync. The Philippines is known for its sophisticated migrant protection regulations but it is becoming clear that this has led to the piling up of unresolved illegal recruitment cases either because administrative capacity is lagging behind or regulations are just too complex to implement or both (Orbeta and Abrigo, 2011). These unresolved disputes will undermine regulations in the long run. Similarly, there is a need for the Cambodians and the Thais to demonstrate that legal migration can be convincingly cheaper for migrants compared to what illegal "brokers" can offer. Thais have already used the less stringent border pass for migrant workers at the border. Whatever is in place is obviously insufficient because data says there are still thrice as many irregular migrants (900 thousand) as there are legal migrants (300 thousand) in the CML border. Finally, even if there is a nascent recognition of the important role sub-national agencies can play in migration management, there is also a realization that administrative capacities at these levels may be lacking (Bachtiar, 2011). This is not to say that national government should not involve them. It only means we either undertake appropriate capacity building or we make regulations simple enough for them to be able to implement well or both.

5. On Involving Subnational Bodies

The role of sub-national bodies in migration management is increasingly being recognized. Looking at the issues more closely, as is done in Bachtiar (2011) study, also highlighted emerging problems. There are several reasons why local governments are interested in playing a role in international migration management. For one, it has been pointed out that 80 percent of the problems in international migration, such as identity fraud, cheating, extortion, and detention, occurs at the local places of origin. This also implies that these costs of migration are also felt more at the local levels. For another, remittances may not amount much at the national level but for some regions this can be substantial. For instance, remittances are only around 1 percent of the gross domestic product (GDP) of Indonesia but for some areas in the country like Lumboc, the proportion can be as high as 24 percent. In fact, a village in Philippines are even named, Little Italy, to reflect the proportion of its former citizens currently living or working abroad.

The Indonesian experience highlights the issues accompanying the involvement subnational bodies in migration management. First, there is a need to clarify the roles of different levels of government. The lack of clear delineation can lead to undesirable actions. Bachtiar (2011) has shown that lack of clarity led local policy makers to apparently look at international migration as largely a potential revenue source. In particular, the textual review of 127 local regulations from 115 migration sending localities showed that 95 percent of these are about extracting levies and only 5 percent are about placement and protection of workers. This is unfortunate given that, as mentioned earlier, problems occurring and addressable at the local level involves placement and protection of workers. In addition, proximity to the problems may make enforcement better and more effective at the local level. Without clarification of roles, regulations can tie the hands of local government units (LGUs) rather than empower them to enforce the regulations.

There is also a need to establish awareness, commitment and capabilities of LGUs to perform the roles that are deemed better carried out at their level. Establishing awareness is important so that roles are executed as envisioned. Enforcement also requires commitment. Finally, awareness and commitment would not mean much if LGUs are not capable of performing their roles. Bachtiar (2011) pointed out that majority of the localities they have examined are not ready to commit to protect migrant workers for whatever reason.

6. *On Irregular Migration*

The complexity of the problem of irregular migration is demonstrated by the experiences of sending and receiving countries documented in this study. One may be tempted to look at the problem of irregular migration as an enforcement problem. The experience of Malaysia in its running battle with irregular migrants demonstrates that this is not the case. It has been established that there are substantial “circular” irregular migrants in Malaysia. At least 30 percent of the apprehended irregular migrants have been deported before. Malaysians have used many deterrents from traditional canning and deportation and now considering using biometrics but found its irregular migrants growing at the same pace as regular migrants (Kazzim and Zin, 2011). They are starting to wonder if existing punishment is deterrent enough. As a result they saw their system become overburdened when they started to be serious about apprehending irregular migrants. The first problem was a huge backlog in the courts. The next was the overcrowding of their holding depots. They have realized that their system alone cannot match the intricate web of networks families and acquaintances that have been built through the years starting from the years when they didn’t have explicit rules governing international migration in place. They have called for better cooperation from sending countries.

Thailand used a different tack by using a series of registrations since early 1990s. The laudable intension was to legalize the stay of irregular migrants. But the good intensions of the policy has to deal with problems of implementation, including (a) employers unwilling to pay the registration fees; (b) low awareness; (c) the view that it is an inconsistent policy having a stop-go nature; (d) that it is ineffective in stopping the flow of irregular migrants; (e) corruption that has marred its implementation; and (f) that its continuing nature is testament that the earlier ones were not successful. On top of all these problems, some view this policy as not really about legalizing the stay of irregular migrants but as a continuing concession to employers who wants to employ them (Paitoonpoong, 2011).

Chia (2011) points out that Singapore has little problem with irregular migration because of a combination of natural and administrative reasons, namely, (a) its small land size and well-patrolled borders and relative absence of informal sectors; (b) transparent and efficient implementation of immigration laws, work permit requirements and process, and (c) severe penalties for irregular migrants, their employers and human smugglers.

From the perspective of a sending country, Hing et al. (2011) pointed out that international literature suggests that addressing irregular migration requires three sets of measures: addressing causes, strengthening protection, and enhancing international cooperation. The causes include extreme poverty, lack of employment opportunities, high cost of legal migration,

malpractice of private employment agencies and government enforcers, and trafficking. These are mostly source country issues. Since irregular migrants are prone to abuse and exploitation this means greater protection for them. This is always a thorny issue considering their irregular status. Finally, irregular migration is a management problem that can only be effectively addressed by close cooperation between sending and receiving countries as the Malaysian experience is demonstrating.

It is clear that irregular migration happens because of a combination of circumstances in sending and receiving countries. In sending countries, irregular migration happens because it is very costly both in terms of money and waiting time to go through regular migration processes. Hing et al (2011) estimates it requires USD 700 to migrate to Thailand while doing it the informal way will require much less such as USD 100 or even lower. Kazzim and Zin (2011) also found very high fees (RM 10,000) charged by employment agents for Bangladeshi and Pakistani migrants. Migrant in the Cambodian border continues to find the “broker” a viable alternative to legal deployment (Hing, et al., 2011). Similar situation can be expected of migrants into Malaysia. In destination countries, there are employers who are willing to employ them with good incentives to do so. Without protection, they can be paid even lower wages.

7. On Protecting Migrant Workers

The research has highlighted clear indications that the protection envisioned by the state may not always be the protection “desired” by the migrant given existing circumstances. It reveals the tendency to craft protection laws without due consideration to existing circumstances of the migrants and capacity to implement by enforcement agencies. For instance, take the case of the HSWs reform package adopted by the Philippine government in 2006 purportedly to improve protection of HSWs. When researchers check with HSWs both those in the Philippines and those in Singapore, they found that the package was largely unknown and even ignored if known by migrant workers. They were found to be willingly working under less favourable conditions. Many let their employers determine the terms of their contract. Most are not paid the mandated USD400 minimum wage. Many HSW in the Philippines are willing to pay the supposedly banned placement fee. In addition, interviews with private recruitment agencies reveal that HSWs are willing to be reprocessed into some other employment category that does not have the stringent requirement of HSWs to facilitate their deployment (Battistella, Park and Asis, 2011).

As another example, it was also found that migrants in the Cambodian border are willing to deal with “brokers” rather than legal recruitment agencies fully cognizant of the risks that this mode of placement involves (Hing, et al., 2011).

It is not difficult to imagine that stringent rules can drive migrants into informal modes of employment if the migrant finds them too restrictive than what they require. Add to this the principle of freedom of movement that is respected in most countries makes, it will be difficult to enforce overly restrictive regulations. Nonetheless, consideration should be given to the known tendency that poverty and lack of employment opportunities domestically may drive would be migrants to disregard safety as suggested in Hing et al. (2011). Since regulators may not know ab initio what would be reasonable protection, the only rational response is for regulations to be assessed continuously for their effectiveness. A fine piece of regulation that is not respected and subsequently ignored does not mean much in protecting workers.

Some accepted practices of protecting workers have not been producing desired results and may need closer scrutiny to improve their impact. For instance, educating foreign workers about their rights has been identified as a good policy in sending countries such as the Cambodia, Indonesia and Philippines (Hing et al, 2011; Bachtiar, 2011; Orbeta and Abrigo, 2011). This is implemented via elaborate pre-departure orientation seminars (PDOS). But the Philippine experience show limited impact as shown by the general lack of awareness of their rights even after the implementation of an enhanced pre-departure programs among foreign domestic workers in Singapore (Battistella, Park and Asis, 2011). Another example is providing labor attaches in major places of destination. Hing et al. (2011) pointed out that their effectiveness is dependent on their knowledge of labor policies and laws of both sending and destination countries which imply assessment of their capacities before they are deployed to their posts.

Thus, protection of workers can fail not because of lack of good intention but because they may be too stringent from the view of migrants. Migrants would be too happy to collude with recruitment agencies to circumvent what to their view is an overly stringent regulation. Protection can also fail because they are not designed well. In both cases, regulators will never know exactly unless they check and check often if the protection schemes crafted worked as intended.

Conclusion and Summary

The main message from the study is that it is fruitful to look at international labor migration issues jointly from the perspective of receiving and sending countries. This approach has highlighted the fact that it is never fruitful to separate discussions of benefits and costs of international labor migration whether it is from receiving or from sending country side. This strategy has also revealed the extent of the differences in perspectives and the benefits from

greater cooperation. It has also highlighted the differences in labor market regimes that are often overlooked even among neighboring countries and how they are important in crafting migrant management and protection measures, and differences in administrative capacities thereby emphasizing its importance in migration management. Finally, it has highlighted the perspective not only of regulators but also of the clients – the migrant workers. If the heated discussions at the researchers' level be any indication, heated discussions at the official level can be expected particularly when principles are translated into stipulations in binding agreements bilateral or multilateral. Moreover, the study has also indicates that looking at issues at both sides of the negotiating table may have better chances of leading to fruitful compromises.

The research has identified seven themes that can be good inputs to any discussions at crafting an ASEAN instrument for international labor migration, namely: (a) the importance of integrating international migration into national and regional development efforts; (b) the importance of both bilateral and multilateral agreements; (c) the importance of recognizing differences in labor market policies in sending and receiving countries in designing protection for migrant workers; (d) the need to consider general administrative capacities in designing migration regulatory efforts; (e) the importance of involving sub-national bodies in migration management; (f) the need to broaden cooperation in handling irregular migration; and (g) the recognition that the protection envisioned by the state need not be the one “desired” by the migrant, hence, the need to check often to find out the effectiveness of protection measures. While many of these themes are not new, the experience of study countries as sending and receiving countries provide them with novel twists and perspectives.

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