



Migrants on the Move in Asia

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AsiaPacific

I S S U E S

Analysis from the East-West Center

No. 29

December 1996

The U.S. Congress established the East-West Center in 1960 to foster mutual understanding and cooperation among the governments and peoples of the Asia Pacific region, including the United States. Funding for the Center comes from the U.S. government with additional support provided by private agencies, individuals, corporations, and Asian and Pacific governments.

The AsiaPacific Issues series contributes to the Center's role as a neutral forum for discussion of issues of regional concern. The views expressed are those of the author and not necessarily those of the Center.

SUMMARY Millions of Asians are leaving home in search of work. About half leave Asia, but the other half stay in the region. Most of those who stay go to East Asia where booming economies need workers but where aging populations have fewer and fewer of them. Many countries are thus increasingly dependent on foreign workers, but most don't want to be. Governments and citizens worry about the effects of migrants on domestic economies and also fear that migrants, especially those that settle, will bring languages, customs, and religions that could threaten local cultures. Yet efforts to control migration have mostly failed: more than half of Asia's migrant workers are illegal. All indicators point to more, not less, migration in the years ahead. Despite this, many Asian leaders are unwilling to plan for migration. They claim that Asia's closed societies will discourage migrants from settling. But there is little evidence to suggest that their optimism is justified. And unmanaged migration could aggravate tensions between countries and even slow the region's economic development.

About 125 million people worldwide live outside their country of citizenship. This “nation of migrants” is growing by two to four million annually—faster in percentage terms than the world’s population. Six to eight million of these migrants are Asians. About half of them have left Asia and more than one-half million more emigrate each year (mostly from the Philippines, Vietnam, China, India, and Korea) to settle outside the region (mostly in North America and Australia). But three to four million Asian migrants remain within the region, and the number choosing to do so has increased steadily since the early 1990s. Most Asians living outside their borders are, like the majority of migrants around the world, looking for work.

Currently, most of the East and Southeast Asian countries that import labor have far fewer foreign workers—averaging 2.7 percent of the work force—than do the United States and the European countries, which have 5 percent to 10 percent. As a result, immigration and integration issues, though debated, have not yet moved to the top of the social and political agenda in Asia as they have in North America and Western Europe. However, the international outcry over Singapore’s 1995 hanging of a Philippine maid convicted of murder reflected the growing tensions over migrant workers in the region.

Migration issues will demand increasing attention. The forces behind growing labor migration—including uneven economic development and demographic change—promise an ever-growing population of migrants. Most of these workers will come from the four major labor exporters in the region: China, Indonesia, the Philippines, and Thailand. Most will find jobs—legally or illegally—in the seven major labor importers in Asia: Japan, Korea, Hong Kong, Taiwan, Singapore, Malaysia, and Thailand. But even though many Asian countries are dependent on this foreign labor, none of them want large numbers of migrant workers—especially low-skilled workers—to settle permanently. All the countries have stepped up efforts to prevent both illegal immigration and settlement. Despite these efforts, half of Asia’s migrant workers are illegal workers; in Japan and Korea, the percentage is more than 80 percent.

Even as the number of migrants is growing, most Asian countries say they are planning to limit their reliance on foreign workers. How they will do so and the domestic and international effects of their efforts will be critical issues for the region. Current migration policies are highly varied: they range from near denial of workers’ existence in Japan and Korea to explicit acceptance and active management of foreign workers in Singapore. Failure to manage migration may increasingly aggravate tensions between small receiving countries (such as Japan and Malaysia) and much larger sending countries (such as China and Indonesia).

Why Workers Leave Home

Factors fueling migration include uneven population and economic growth (labor shortages in some countries; labor surpluses in others), cultural changes that affect the availability and expectations of workers, and the existence of well-established legal recruitment networks (and the smuggling of laborers).

Economic shifts. When countries with limited labor supplies shift from manufacturing to service economies, and their own citizens are qualified for the best jobs, lower-level jobs become available for migrant workers in declining small- and medium-sized manufacturing firms. Jobs also become available in the frequently shunned service occupations: those of construction and factory worker for men; those of maid, dancer, and prostitute for women. The wages that workers send home (“remittances”) are crucial contributions to their families’ incomes as well as to their countries’ economies.

Demographic and economic inequalities. Asia is home to some of the world’s fastest-growing economies and most rapidly aging populations (which have fewer and fewer working age adults) as well as the world’s second-largest exporter of migrants (the Philippines; Mexico produces the most)—setting the stage for an apparent match between labor demand and supply. But young migrants from developing nations are going to aging societies that may resist the changes that accompany immigration. A society’s need for immigrants may not be matched by a willingness to accept them.

In Korea and Japan, 80% of migrants are illegal

Today's youth are shunning the "3D" jobs—dirty, dangerous, demeaning

Demographic and cultural shifts. Many of the fastest-growing countries have already tapped all their labor, including workers who in the past only worked seasonally or part-time, and now the countries need new labor sources. In addition, better educated youth are increasingly shunning the so-called "3D" jobs—those that are dirty, dangerous, and/or demeaning—that migrants will take.

Networks for moving workers. Well-established labor networks have already moved large numbers of workers to the Middle East and can redirect migrants within Asia. The networks include labor brokers, policies to promote employment abroad, and financial support systems including money lenders who finance visa and passport fees.

When Asian labor migration began in the mid-1970s, contractors provided male migrant workers to the Middle East in exchange for fees paid by employers. As more women went abroad in service occupations (as maids, for example), fees tended to increase and be paid by the worker rather than the employer. Today, persons migrating legally or illegally within Asia often pay fees equal to 25 percent of their expected two-year earnings. Labor brokers, who are believed to be involved in the migration of 90 percent of all Asian women, are routinely accused of misleading and overcharging migrants, especially women.

Responding to Migration

In Asia, as elsewhere, some kinds of migrants are more welcome than others. There appears to be widespread agreement that the freer migration of professionals would be beneficial, but professionals are a relatively small number of those migrating for work. The vast majority of migrants work in unskilled or semi-skilled jobs. Though many countries depend on this labor, most would prefer not to. This ambivalence affects their willingness to establish realistic immigration policies.

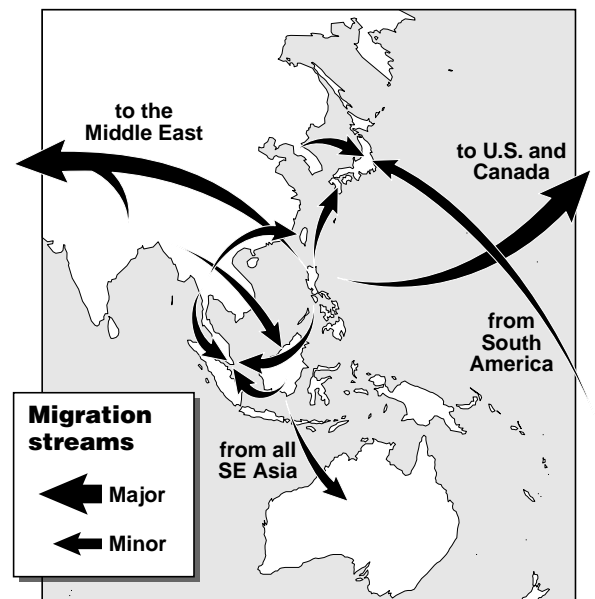
Indeed, nations with foreign workers can be ranked along a spectrum from near-denial of the presence of unskilled foreign workers to their active management.

At the "near-denial" end of the spectrum are Japan and Korea, which do not permit the importation of unskilled foreign workers. Yet a great deal of unskilled work is done in both countries by foreign workers. This work is performed legally by foreign trainees (typically young people learning practical work place skills), quasi-legally by students, and illegally by undocumented workers. In Japan, ethnic Japanese from Latin America also may work legally.

At the "active management" end of the spectrum, Singapore considers foreign workers to be an instrument of economic policy. Foreign workers are to be imported when needed, they and their employers pay significant fees that increase government revenues, and the foreigners are sent home when they are not needed.

In between are Taiwan and Hong Kong, which recognize the need for unskilled foreign workers but whose policies change frequently. Governments are at times pressured by labor-short employers to permit more foreign workers to enter or to let those present stay longer. At other times, they are persuaded by unions and other critics of foreign workers to reduce the number of foreign workers or to tighten restrictions on them.

Some Asian countries, including Thailand and Malaysia, both import and export unskilled labor, and thus sit on both sides of the table in developing labor migration policies. Thai workers migrate to Taiwan,



Six Countries' Experiences with Labor Migration

Japan. During an economic boom from the late 1980s to the early 1990s, the number of foreign workers rose in lockstep with economic growth for the first time. Some observers expected that labor shortages, the internationalization of the economy and society, and changes in Japanese immigration law would produce a foreign work force in Japan comparable to the 5 percent to 10 percent seen in North America and Europe. But in 1993 foreign workers in Japan comprised only about .8 percent of the country's 63 million workers.

Japan's foreign workers appear to complement Japanese workers rather than compete for their jobs, and they pay more in taxes than they cost in public services because most are young and in Japan without their families. As a result, the debate over foreigners in Japan centers on longer-term issues, such as how many "temporary" foreigners will settle, and whether settled foreigners can ever be successfully integrated into Japanese society.

Singapore. The 350,000 foreign workers in Singapore are 21.3 percent of the country's 1.7 million person work force. Singapore is unusual in Asia, since it welcomes foreign professionals and permits them to become permanent residents, work in the government, and enjoy the same access to housing and other government services as natives. Nonprofessional foreign workers are seen as an economic buffer, imported when needed, and exported when not.

It is the social aspects of foreign workers that have recently raised the most concern in Singapore. Several amnesties for illegal Thai workers were offered to avoid caning them, and many Thais left after several Thai workers died mysteriously in their sleep at their Singapore work site. The 1995 hanging by Singapore of a Philippine maid caused an international outcry. Nevertheless, the Singapore government seems confident that it can successfully manage immigration.

Malaysia. Asia's major importer of foreign workers, Malaysia is also a major exporter of labor. In 1994 the country was home to about 750,000 legal foreign workers and another 500,000 illegal workers. At the same time, more than 250,000 Malaysians worked legally and illegally abroad. About 200,000 Malaysians work in Singapore, including 50,000 who commute daily, and many Chinese-Malaysian construction workers are employed in Taiwan. Malaysians have also been apprehended working illegally in Japan.

The government's view of foreign workers is ambivalent. Officials complain that the estimated \$2.4 billion Malaysian

dollars (about US\$1 billion) sent out of the country annually as remittances are an unacceptable loss of foreign exchange. They also blame migrant workers for introducing infectious diseases and for an increase in crime. While employers are told to plan for labor self-sufficiency, policy has permitted a significant expansion of the legal foreign work force. Professional and skilled workers earning more than \$1,200 Malaysian dollars a month (about four times the monthly per capita GNP) are still permitted to bring family members with them; however, the entry of unskilled foreign workers was banned in 1993, then permitted, and since January 1994 has been banned again, although the government makes frequent exceptions.

Thailand. Thailand, like Malaysia, is an economically successful country that is both sending and receiving labor. Of the approximately 500,000 Thai workers employed abroad, about 200,000 are legal. The 200,000 legal foreign workers in Thailand include professional expatriates and unskilled farm and construction workers from poorer neighboring countries.

Thailand shows how an impressive macroeconomic performance can obscure imbalances that promote internal migration, emigration, and immigration. The country's fast growth was not balanced regionally or across sectors of the economy. Medium-tech manufacturing growth was concentrated in the Bangkok region. As the wage gap between Bangkok and the rest of the country widened in the 1980s, Thais flocked to Bangkok, increasing congestion there. Shortages of highly skilled workers have enabled the best educated one-fourth of the Thai work force to earn higher wages, while wages for less educated workers have risen more slowly. Meanwhile, the country can expect more migration across its borders from its poorer neighbors.

Philippines. At least 1.6 million Filipinos are legally employed abroad and perhaps hundreds of thousands more are illegal workers. (The Philippine government estimates, without any methodological basis, that there may be as many as 4.2 million workers abroad).

Emigration and remittances, however, have not turned the Philippines into a fast-growing "tiger" economy. Instead, the Philippines lived off resource exports, then aid, and finally foreign loans, building up an inefficient and protected manufacturing sector that created relatively few jobs. In the early 1970s, male Filipinos eager to emigrate for work were discovered by the construction firms building in the Middle East.

Malaysia, and Israel in search of high-wage jobs, and Malaysian workers migrate to Singapore and Taiwan. Simultaneously, the number of workers from poorer countries seeking to enter Malaysia and Thailand is rising sharply. Regardless of their official immigration policies, both countries have long borders with labor-

sending countries and would have to invest heavily in border and interior controls to reduce immigration.

In contrast to the near-denial approach of many labor-receiving countries, those that actively export labor—including Indonesia and the Philippines—have announced that such exports are a crucial part of their

Migrants are often blamed for disease, crime, and a loss of foreign exchange

More than a decade later, after the Middle East job market dried up, migration networks kept moving Philippine workers (men and women, this time). They showed up as “entertainers” (dancers and prostitutes) in Japan, maids in Hong Kong and Singapore, and factory and construction workers in Malaysia, Taiwan, and Japan.

But the inability of the Philippine government to protect migrants abroad was spotlighted by Singapore’s execution of a maid and a death sentence—later commuted—meted out to a maid in the United Arab Emirates. The Philippines’ newly enacted Migrant Worker and Overseas Employment Act prohibits women under age 25 from emigrating as maids and instructs its diplomats to actively protect Philippine migrants. The Philippines says it hopes to eventually reduce labor exports by creating more jobs at home. Nevertheless, some of the fastest growing businesses in the Philippines remain companies that help workers go abroad and send remittances home.

China. With more than 750 million workers, China has the potential to be the world’s largest labor exporter. Despite rapid economic growth, Chinese workers earn less than their counterparts in the Philippines or Indonesia. During much of the past 50 years, China has severely restricted emigration, but labor migration both within and from China has increased since economic reform began in 1979. (The number of Chinese migrating within their own country may exceed the number of Asians migrating within the region.)

China exports migrant workers to 158 countries—mostly to Hong Kong, South Korea, and Japan—and sends many of its workers abroad as trainees. Remittances from the 150,000-odd legal migrant workers abroad are estimated to exceed US\$1 billion per year. Chinese who emigrate go primarily to Hong Kong (some 80,000 per year) and to the United States (more than 20,000 per year in the early 1990s). Some two-thirds of the 220,000 Chinese students who have gone abroad to study since 1979 have not returned to China.

A thriving illegal smuggling industry exists, as evidenced by the case of *The Golden Venture*, a ship that ran aground in New York on June 6, 1993, and was found to be carrying several hundred illegal Chinese migrants. The “going rate” to be smuggled into the United States is reportedly \$30,000, and often involves travel via third countries in Europe or Latin America. Illegal Chinese migrants have also gone to Japan, Korea, and Thailand.

economic development plans for the next decade. These countries would like to generate more remittances by exporting a greater percentage of skilled, rather than unskilled, workers. But they will have plenty of competition from other countries that are also eager to supply workers.

Asian Governments’ Views of Migration

Asian governments are ambivalent in their responses to international migration. On the domestic front, their worries include a lack certainty about migration’s effects on domestic economies and about the cultural impact of migrants (especially those who become settlers). Economic theory predicts that an influx of migrant workers is likely to slow wage increases or increase joblessness, which makes it easy for domestic groups to argue against foreign workers even if such effects are not clearly demonstrated. And migrants, unlike goods and money, bring with them different languages, religions, and customs that can create barriers and suspicions between them and local residents. Malaysia, for example, accuses Bangladeshi men of “taking advantage” of Malaysian women—marrying them to stay in the country—and in October 1996 announced that Malaysian women who marry Bangladeshi men will have to move to Bangladesh to live with their husbands.¹

One argument for permitting workers to migrate freely within Asia is that it will promote regional economic integration. Economic integration is the process of abolishing barriers to trade and investment across national borders and it is desirable because it speeds up economic growth. Indeed, it is an explicit goal of Asian regional organizations, multilateral lenders, and other players in the region.

Yet, while economists have long claimed that free international migration is one of the “three pillars of economic integration” (trade and investment are the other two), Asian economic integration seems to be proceeding perfectly well with only two pillars. Intraregional exports in East and Southeast Asia grew 12 percent annually between 1979 and 1992, and many of these exports resulted from the integration of industries across borders. Economies are clearly being integrated, but the driving factors are trade and investment, not migration (since, despite their growth in numbers, foreign workers remain a small percentage of the total work force). And while well-accepted economic theories warn that countries will experience slow growth if they close themselves off to trade and investment, no such consequence is claimed if foreign workers are refused.

Policies Affecting the Flow of Migrants

The tools available to governments trying to control migration are trade, investment, aid, and migration policy.

Trade policy. Economic theory says that growth in trade will create jobs and thus decrease the pressure on people to migrate. This effect, however, is not immediate; in fact, migration may increase temporarily as trade brings labor-sending and labor-receiving economies closer together. This temporary increase, called a “migration hump,” can result when the economies differ greatly in size, when economic restructuring temporarily creates a surplus of workers, and when migration networks are already moving migrants across borders. The possibility of this migration hump may discourage governments trying to reduce the entry of migrant workers from committing to freer trade. But studies suggest that, in the long term, increased trade does reduce migration.²

Investment. Wealthy labor-receiving countries that want to discourage immigration can try to build job opportunities in poorer labor-sending countries by promoting investment there. In practice, however, investment tends to flow to where profits will be greatest—not to where jobs are few and pressures to emigrate are greatest. Malaysia, for example, is a major recipient of investment, even though it sometimes imports foreign workers to staff the factories created with foreign investments. This suggests that investment can at best play a supporting role in reducing emigration pressure; once a country has adopted the policies that create jobs its own citizens can fill, investment can accelerate that growth.

Labor-receiving countries can take capital that would have been used to create jobs at home and invest it in another country, thereby drawing migrants to its factories but not across its borders. Many Asian labor importers such as Japan and Korea have been able to keep the share of migrant workers in their labor forces low by investing abroad (and reducing demand at home by automating). One study estimated that the approximately \$50 billion that Japan, Korea, and Taiwan invested abroad would have created about 500,000 jobs if these na-

tions had built factories at home.³ Instead, it created about six million jobs for potential migrants outside the countries. Proposals to establish Japanese retirement communities in other countries (mostly to stretch fixed retirement funds) may have a similar effect in reducing the demand in Japan for immigrant nurses and orderlies.

Aid. Rich countries also try to reduce migration pressures in poorer countries by offering aid. The International Labor Organization and the UN High Command for Refugees in 1992 asked experts the following question: If donor nations want to use aid to reduce emigration pressures, how should they change their aid policies?⁴ The experts agreed that donor countries should provide larger sums of aid tied to economic policy reforms and that there can be no choice between aid or trade—there must be aid and trade. Several concluded that the single most important “aid” that industrial countries can provide to labor-sending nations is to remain open to their goods, which are often produced in labor-intensive or job-creating ways.

Migration policy. The policies of labor-receiving countries can have some effect on migration, but most experts agree that labor-sending countries hold the key to their futures. They decide which economic policies to pursue and whether to protect or ignore human rights. These and other policies greatly affect emigration pressures.

The effects of migration policies are not always so clear. No one really knows which migration policies will work in the short term and which will work over time. This is one reason why the migration policies of countries that are receiving migrants often seem contradictory. Governments want to satisfy labor-short employers and permit foreign workers to enter. But at the same time they want to prevent these workers from settling permanently.

Meanwhile, advocates of free migration do not enjoy any of the advantages that supporters of free trade and investment enjoy: no economic theory warns countries that they will grow more slowly if they refuse to let workers cross their borders. There are no institutions equivalent to the World Bank or the International Monetary Fund to encourage countries to be

Studies suggest that increased trade does reduce migration

open to foreign workers. In short, there is neither a universally accepted theory of, nor international institutions supporting, free migration.

Conclusion

International migration played a minor role in economic growth and integration in Asia over the past 25 years.

However, migration is increasing in size and scope as workers leave countries with too few jobs and head for countries that offer jobs in construction, manufacturing, services, and elsewhere.

Though many governments say they plan to reduce their dependence on labor migration, all indicators point to more, not less, labor migration in the years ahead.

Despite this, many Asian leaders insist that the European experience of migration, in which temporary workers became permanent settlers, will not be replayed in Asia—the policies and controls are stricter, they say, the societies are more closed to outsiders, and the workers want to return to their countries of origin. But there is little, if any, evidence

to suggest that Asian governments will be any more successful in preventing migrants from settling than were European governments.

Labor migration in Asia is an unfinished story. Asia may pull off another miracle in managing labor migration. But it is also possible that migration may aggravate tensions between sending and receiving countries. Migration may even slow economic integration if disputes over migrant workers interfere with free trade and investment.

Endnotes

¹ *Migration News*. November 1996. Published monthly in both electronic and paper format. For information, contact the home page at: <http://migration.ucdavis.edu>

² World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. New York: Published for the World Bank by Oxford University Press.

³ Bloom and Noor. 1995. *Is an Integrated Regional Labor Market Emerging in East and Southeast Asia?* Working Paper No. 5174. Cambridge, MA: National Bureau of Economic Research.

⁴ Bohning, W. R. and M. Schloeter-Paredes. 1993. *Economic Haven or Political Refugees: Can Aid Reduce the Need for Migration?* Geneva: Proceedings of a May 1992 ILO-UNHCR Conference.

No one really knows which migration policies will work

Asian Migrant Workers: Who Gets Them, Who Sends Them

	Labor Force	Legal Foreign Workers	Trainees/Students	Illegal Foreign Workers	Foreign Workers/Labor Force	Workers Abroad
Labor Importers						
Hong Kong	2,970,000	170,000		130,000 est.	10.1%	
Japan	63,000,000	106,000	135,000	288,000 est.	0.8%	
Korea	20,326,000	8,539	43,000	90,000 est.	0.7%	
Taiwan	9,081,000	239,000	5,500	100,000 est.	3.8%	
Singapore	1,693,000	350,000		10,000*	21.3%	
Subtotal	97,070,000	873,539	183,500	618,000	1.7%	
Labor Exporters/Importers						
Malaysia	7,846,000	750,000		500,000 est.	15.9%	250,000
Thailand	32,845,000	200,000		590,000 est.	2.4%	500,000
Total—7 countries	137,761,000	1,823,539	183,500	1,708,000	2.7%	
Labor Exporters						
Bangladesh	52,000,000					1,600,000
China	750,000,000	170,000			0.0%	270,000
Indonesia	81,200,000	57,159			0.0%	1,200,000
Philippines	27,483,000			150,000 est.	0.5%	1.6-4.2 mill. est.
Vietnam	33,000,000					20,000

Data is from *Migration News*. Labor source data is from 1993. Other data are from 1994-1995.

*Apprehended.

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