

Migrant Workers on the Move

IN ITS traditional context, "travel" refers to leisure, business, meetings, incentives, conventions and exhibitions (MICE) or visiting friends and relatives (VFR). However, millions of people are on the move to seek jobs abroad.

From Filipino maids in Hong Kong SAR to Indian hotel staff in the Middle East, migrant workers make up a huge proportion of global travellers. For many Middle Eastern and South Asian airlines, annual movements of migrant workers are a major source of income. Many travel agencies in South and Southeast Asia specialise in handling migrant workers.

While legal migrant workers can provide skills and labour in the host countries, irregular workers (those not registered with local authorities or their stay and work contravenes laws of the host country or area) can create complications, leading to visa restrictions, trafficking and security concerns, which, in turn, affect travel and tourism flows.

This report is adapted from a paper produced by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) for the Fifth Asia-Pacific Population Conference in October 2002. With the Generalised Agreement on Trade in Services (GATS) set to further liberalise labour movements, some of the issues highlighted are worth examining in detail because of their clear implications for the future of travel and tourism.

RECENT TRENDS IN INTERNATIONAL LABOUR MIGRATION

International labour migration from and within the ESCAP region has expanded rapidly during the past two decades, propelled by (a) widening disparities in the level of economic development between countries of origin and countries of destination, (b) demographic changes leading to low rates of growth of the working age population in countries of destination

but high rates in countries of origin, and (c) the emergence of governmental and private agencies dedicated to the international deployment of migrant workers.

Deployment of international migrant workers increased markedly during the 1990s. Official deployments from major countries of origin equalled one million workers in 1990, 1.8 million in 1994 and about 2.4 million by the end of the decade. The actual number of migrant workers going abroad is even greater than this because an unknown number migrate for work without registering with their national authorities. These figures do not incorporate the largely unrecorded population movements across land borders, such as between India and Nepal, from Bangladesh to Assam in India, or between China (PRC) and Russia.

International migration from China (PRC) alone is estimated to equal 300,000 to 400,000 persons per year, including contract workers, emigrant settlers, students and unauthorised workers. About 100,000 of those legally migrate each year to Australia, Canada and the United States.

Bangladesh, Pakistan, Sri Lanka and Thailand routinely deploy 100,000 to 200,000 migrant workers each per year. Annual deployments from India and Indonesia are approximately 400,000 and those from the Philippines have surpassed 800,000. While deployments from South Asia go mostly to the Middle East, those from Southeast Asia go increasingly to East Asia and to other countries within Southeast Asia. The most recent figures indicate that about 75 percent of the workers from Bangladesh migrated to the Middle East, while over 90 percent of those from India, over 95 percent of those from Pakistan and about 85 percent of those from Sri Lanka, also migrated to the Middle East.

From 1994 to 1998, Indonesia officially deployed 1.46 million workers, with about 38 percent of those deployed within Southeast Asia. In addition, one-half to two-thirds of the

450,000 migrants with irregular status in Peninsular Malaysia are Indonesians.

In 1990, 335,000 land-based workers were deployed from the Philippines. Sixty-five percent went to the Middle East and 27 percent to Asia (including Southeast Asia). By 1998, 486,000 land-based workers were deployed; 47 percent went to the Middle East and 46 percent to Asia.

In 1999, Thailand deployed 202,416 workers of whom nine percent went to the Middle East; 25 percent to Brunei Darussalam, Malaysia and Singapore; and 64 percent to other Asian economies. In fact, 57 percent went to the single destination of Chinese Taipei.

During the 1990s, the immigration programme of Australia received between 55,000 and 81,000 migrants per year. Nearly one-third of the recent settlers were from Asia. In addition, non-programme migrants, mostly from New Zealand, equalled between 75,000 and 100,000 per year.

Australia also receives large numbers of temporary residents. In the 1998-1999 reporting year, for example, 93,000 temporary residents and 67,000 students first entered Australia. Twenty-four percent of the temporary residents and 73 percent of the students were from Asia. The number of people approved for residence in New Zealand during the 1990s equalled between 25,000 and 56,000 per year. In 1998, nearly 40 percent of those were from Asia and 15 percent from Pacific Island states.

Pacific Islanders, particularly Polynesians, have long migrated between areas in the Pacific and to Pacific Rim countries. In the mid-1990s, it was estimated that about 400,000 people of Pacific Island ethnicity were living abroad, mostly in New Zealand (170,000), the United States (145,000), Australia (84,000) and Canada (16,700). Perhaps 30 to 40 percent of Tongans and Samoans live abroad. Remittances from citizens living abroad are crucial for the sustainability of many island economies.

Labour market dynamics

An international labour market encompassing Southeast Asia and with links to some economies in East Asia and South Asia is emerging and has gained momentum since 1990. The economies of East and Southeast Asia have expanded rapidly, even taking into account the economic and financial crisis that began in 1997. There are at least three million nationals of countries in Southeast Asia who are temporarily residing (and most of them working) in other countries in the sub-region. An equal number

of workers from Southeast Asia are temporarily employed in other regions of the world, including East Asia and the Middle East but not taking into account those who are residents of countries in North America.

Brunei Darussalam, Hong Kong SAR, Japan, Korea (ROK), Singapore and Chinese Taipei are major destinations for labour migrants from Southeast Asia. Brunei Darussalam is a petroleum exporting country that relies on foreign workers for a significant share of its labour force. At the end of 2000, non-Chinese residents in Hong Kong SAR, constituted 4.1 percent of the total population of 6.8 million, or close to 280,000 persons. About 223,000 of these were employed as domestic workers.

Foreign workers constitute about one percent of the labour force in Japan. Because of Japanese investment and other involvement in foreign countries, large numbers of Japanese reside abroad. While about 1 million foreigners who were not permanent residents were staying in Japan in 1999, roughly 800,000 Japanese were living in other countries.

Among the 267,600 foreign workers in Korea (ROK) in 2000, 16,100 (six percent) were legally employed, 79,100 (30 percent) were industrial trainees and 172,500 (64 percent) were considered to be illegally employed.

With a small population but a dynamic economy, Singapore has increasingly relied on foreign workers at all skill levels to sustain its economic output. The number of foreign workers in Chinese Taipei reached a record 329,000 in April 2001. Among those were 181,000 manufacturing workers, 101,000 domestic workers and 36,000 construction workers.

Replacement migration

If the very low fertility levels now prevalent in Singapore and several East Asian societies persist, their populations will eventually begin to decline. Japan's population in the main working ages of 15-64 years is already declining. The United Nations projects that the working age population of Singapore will begin to decline after 2015, that of Korea (ROK) after 2020, and those of China (PRC), Sri Lanka and Thailand after 2025. The ratio of the population aged 15-64 years to that aged 65 years and over (potential support ratio) is declining rapidly in each of the low-fertility societies mentioned above.

The UN recently prepared hypothetical population projections in order to estimate the number of international

migrants that would be necessary to prevent the potential support ratio, the size of the population aged 15-64 years and the total population from declining in low fertility countries. The results were surprising.

The study found that Japan would need 33.5 million migrants between 1995 and 2050, or an annual average of 609,000 migrants, to maintain the 1995 size of the working-age population. In order to prevent the population from declining, Japan would require 17 million migrants between 2005 and 2050, or 381,000 per year. Korea (ROK) would require a net annual average of 213,000 immigrants between 2020 and 2050 to prevent the working-age population from declining and an average of 100,000 per year between 2035 and 2050 to keep the total population from declining.

The report concluded that these levels of migration were unlikely to be accepted by Japan and Korea (ROK). It noted that the potential support ratios could be maintained approximately at current levels by increasing the upper limit of the working-age population to about 75 years, which would also entail a difficult political choice. Both these countries, as well as Singapore, Chinese Taipei and Thailand, are more likely to attempt to meet labour shortages through the use of temporary labour migration.

EMERGING SOCIAL ISSUES

Poverty

Successful migration can play a major role in preventing a migrant's family from falling into poverty. Both in Asia and the Pacific, remittance of earnings is not only beneficial for migrants and their families but also for the national economy. Worldwide, remittances now equal more than US\$70 billion per year, according to the International Monetary Fund. That amount exceeds total government aid to developing countries and is greater than total foreign direct investment by U.S. companies in emerging markets in 2000.

The actual amount of remittances is probably higher than that recorded by the banking system because migrants also carry back savings at the end of their assignment, send remittances personally with returning friends or send them through illegal channels. International migration also benefits the economic development of the host country by allowing the economy to expand rather than be constrained by labour shortages in such key industries as agriculture, construction and manufacturing.

Female migration

Women constitute large majorities of international labour migrants from Indonesia, the Philippines and Sri Lanka, and an increasing share from Thailand. In recent years, more than 600,000 women from those four countries have been processed for overseas employment.

One million Indonesian women migrated overseas for work during 1994-1998, constituting 70 percent of the total of 1.46 million migrants officially deployed. While the proportion of women among Thai workers abroad is much smaller, it has risen from 14.5 percent in 1997 to 18.2 percent in 1999.

Of the 296,000 Filipino women migrating for employment in 1998, 55 percent were employed in service work (which includes domestic helpers), 31 percent were employed as professional, technical and managerial workers and 12 percent were employed as production workers. Many of the female migrants from the Philippines are classified as professional, technical and managerial workers. The World Health Organization noted that the Philippines was the largest exporter of registered nurses and that about 250,000 of them were working in countries around the world.

A significant proportion of the foreign workers in Singapore are domestic workers, mostly from Indonesia, the Philippines and Sri Lanka. It has been estimated that in 1995 there were approximately 96,000 foreign domestic workers in Singapore and that about one in eight households in the country had a live-in foreign domestic worker.

Trafficking in humans

Estimates of the annual number of trafficked women and children range from 700,000 to 2 million globally, with 200,000 to 225,000 of those being trafficked in Southeast Asia¹. Trafficking is believed to be on the rise, not least because of the involvement of organised crime. Because of the coercion and violence involved and because many trafficked women and girls become sex workers, governments have adopted a number of agreements to combat trafficking.

POLICY RECOMMENDATIONS

Labour migration is projected to increase. PATA-member NTOs need to keep a watch on the rules and regulations governing these movements because of the indirect impact they could have on visitor flows.

¹ International Organization for Migration, 2000

Regularise the desired migration

Most countries in the PATA region have taken steps to regularise previously unlawful labour migration. These steps include granting work permits to a specific number of migrants in particular occupations, issuing regulations concerning their employment, collecting fees from the employers and providing some degree of worker protection. These actions, which determine the desired level and type of migration and to provide for legal channels for it, benefit all the parties concerned and should be expanded.

Improve migrant workers' benefits and rights

The rights and benefits of migrant workers are often weak or not explicit. Actions to regularise labour migration should also detail the labour standards and benefits applicable to these workers. As much employment in the region is now international, certain basic rights, benefits and standards should apply across the economies.

Plan for the international context

Economic and social planning should incorporate various aspects of international migration. If large numbers of persons migrate for employment, their education and training should equip them for jobs with higher remuneration. Training for skilled occupations must be greater than the national demand alone if many of those trained will work outside of the country. Skills certification should meet regional and international standards. From the perspective of countries of destination, future labour shortages should be anticipated and adequate plans, including the use of foreign workers, developed to deal with them.

Maximise remittances and their impact

Countries need to ensure that their financial institutions encourage the maximum flows of remittances. Workers are likely to remit greater amounts if they can maintain foreign currency accounts. Banks should establish branches overseas or cooperate with foreign banks to permit migrant workers to maintain accounts while overseas and to remit their savings conveniently.

While the total amount of remittances sent to a country may be large, the amounts per worker are usually small, consisting of only a few thousand dollars. The individual amounts are not likely to be invested very productively. Thus governments and the private sector should encourage or establish

investment opportunities targeting remittances from overseas workers, perhaps offering higher dividends for investments in foreign currency.

While overseas, migrant workers usually are not participating in a pension scheme and only small fractions of remittances are used for long-term savings. The earnings of labour migrants would benefit them and their national economies more if the workers were contributing to a pension or provident fund while working overseas. Portable pension systems should be established by agreements between countries of origin and of destination, and by the private sector.

Strengthen regional cooperation in labour migration

A number of disagreements have occurred between neighbouring countries over migration issues. Many of the controversies could be avoided through treating such migration as an international action and preparing for it through bilateral discussions and planning. As many of the issues are common among several countries, greater sub-regional, regional and international dialogue is necessary. All parties, but especially the migrants themselves, would benefit if more international migration occurred within a sub-regional framework that specified minimum procedures, labour standards and benefits.

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The editor and PATA's Strategic Information Centre welcome your comments and feedback. Please contact Mr. John Koldowski via e-mail at johnk@pata.th.com or Mr. Imtiaz Muqbil at imtiaz@loxinfo.co.th.



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Mr. John Koldowski

Mr. Imtiaz Muqbil
Keen Publishing

**Editor and Managing Director-
Strategic Intelligence Centre
Writer and Researcher
Design and Production**

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