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INTERNATIONAL ORGANIZATION FOR MIGRATION (IOM)

THAILAND

IMPROVING THE MANAGEMENT OF FOREIGN WORKERS

CONCLUSIONS AND BEST PRACTICE RECOMMENDATIONS

by

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IMPROVING THE MANAGEMENT OF MIGRANT WORKERS IN THAILAND

It is far better to have the problem of managing immigration than to not have this problem. Thailand has the problem of managing migrants because its economic success enabled previously internal migrants who filled 3-D jobs to find better opportunities in Thailand or abroad. Thai employers turned to migrants from Burma, Laos, and Cambodia to replace previous internal migrants, as well as to fill newly created jobs in garment factories in border areas. Thailand's migrant policy in the 1990s assumed that the need for migrants would be short-lived, but periodic re-registrations showed that some employers were "structurally dependent" on migrants.

In September-October 2001, in an effort to develop a data base for medium-term policy making, Thailand embarked a registration exercise open to all types of employers of migrants in all provinces. These registration data permit analysis to:

- Determine the number of migrants by province, and compare data at the provincial level on registered migrants and similar Thai workers. Such migrant-Thai comparisons can help to answer questions such as whether migrants and Thai workers are substitutes or complements-- do unskilled Thais tend to move away from provinces with more migrants?
- Compare past and 2001 registration data by province--for the provinces that participated in previous registrations--to determine whether migrants are spreading to new provinces.
- Examine wage trends in the industries with the most migrants, and compare wage trends in these industries with wage trends in industries with few migrants. The registration exercise does not collect wage data. However, if the presence of migrants depresses wages, then wage increases in migrant-dominated industries and areas should be lower than in non-migrant industries and areas.

International experience with managing migration include:

- Permanent temporary workers. Temporary worker programs tend to become larger and to last longer than anticipated, as employers and migrants become mutually dependent on one another. If an industry has high turnover or expands, the migrant share of employment tends to increase over time. Unless external factors require a changes in the labor markets, as when trade shifts require e.g. handling rice in bulk, technology improves to dehead shrimp with fewer health risks mechanically than if done by hand, minimum wages rise and/or enforcement improves, or there is another policy change that makes migrants less necessary mutual dependence can spread, leading to the aphorism that there is nothing more permanent than temporary workers. A medium-term demand for migrants can best be managed by government if the migrants are legal, and vigorous efforts are made to prevent the entry and employment of unauthorized migrants.

- Restructuring to attract local workers. Experience shows that it is very hard to get local workers to return to fill “migrant jobs” even if enforcement removes the migrants. Instead, local workers are most likely to return to migrant jobs only **after** they are restructured, such as when the work is made easier with technology. If wages are raised, employers may be more interested in investing in machines to replace workers as well as mechanical aids that make work easier. There may be trade, health and safety, and other reasons for employers to cooperate with the government to gradually restructure or mechanize migrant jobs over time. For example, employers could be required to pay a fee for registering migrants that is matched by government and devoted to restructuring or mechanizing work.
- Cooperation to reduce migrant dependence. It is very difficult to reduce dependence on migrants simply by ordering employers not to hire migrants—enforcement to break a mutually beneficial employer-migrant relationship is costly. Instead, employer-government cooperation to reduce migrant dependence over time, and government-government cooperation to reduce illegal migration, is more promising. Sending country governments might be induced to cooperate to prevent illegal migration if there are legal work permits available, and remittances are matched by the international agencies or sending country governments to create jobs in the migrants’ areas of origin.

Thailand will likely be employing unskilled migrants for years to come, which suggests that the government acknowledge a structural dependence on migrants, and establish the institutional framework necessary to develop medium- and long-term migrant policies. Thailand can be a regional leader in the development of migrant management policies that protect the interests of the Thai economy, employers, Thai workers, and migrants. For example, Asean labour ministers, recognizing that migration for employment is likely to increase in volume and diversity over the next decade, have endorsed the creation of an Asean Institute for Migration Studies to help to develop mutually beneficial migration for employment policies.
