



International
Labour
Organization

The Contribution of Migrant Workers to Thailand: Towards Policy Development

Main findings and conclusions of report: *The Contribution of Migrant Workers to Thailand: Towards Policy Development*, prepared by Prof. Philip Martin, University of California (Davis) for the International Labour Organization (ILO), Bangkok, 2007:

1. Total migrants in Thailand rose from about 700,000 in 1995 to 850,000 in 2000 and to 1,773,349 in 2005. They constituted 2.2 per cent of the labour force in 1995, 2.5 per cent in 2000, and 5 per cent in 2005.
2. In 1995 some 42 per cent of the migrants were registered. In 2000 the per cent registered climbed to 67 per cent. In 2006 the per cent registered dropped to 26 per cent.
3. In 2005 the migrants were distributed by sector of employment as follows : 720,000 in agriculture, 720,000 in industry, and 360,000 in services.
4. The 1.8 million migrants are estimated to earn a total of \$ 2 billion a year based on an average earning of \$1,125 a year per worker. If they spend \$1 billion in Thailand the impact would be to raise Thai GDP by about \$2 billion.
5. If migrants are as productive as Thai workers in each sector, their total contribution to output should be in the order of \$11 billion or about 6.2 per cent of Thailand's GDP. If they were less productive (say only 75% of Thai worker output) their contribution would still be in the order of \$8 billion or 5 per cent of GDP. Migrants contribute anywhere from 7 to 10 per cent of value added in industry, and 4 to 5 per cent of value added in agriculture.
6. Migrants receive only about half of the minimum wage. In 2003 when the minimum wage was 133 baht a day, a study in Tak province showed that most migrants were paid only 60 to 70 baht a day. The fishing and fish processing industries in Samut Sakhon are dependent on migrant workers who earn piece rate wages. This occupation is shunned by Thais because the job requires being away from home for long periods of time, sometimes years.
7. Many migrants are employed in construction where average wages are slightly better than the minimum wage. In the Bangkok area they reported an average earning of 2,800 baht a month for 26 days work, about 82 per cent of the average for Thais.
8. The characteristics of the migrant workforce and the fact that many are not eligible for tax-supported benefits suggests that migrants are likely to pay more in taxes than they consume in tax-supported services. Migrant registration fees alone already amounted to 500 million bath in FY 2006. These are paid by employers but deducted from their wages.
9. Various studies undertaken by Thai universities show that migrant workers are often not treated equally as Thai workers, contrary to ILO principles on the treatment of migrant workers.

18 December 2007