



Background information

While economic growth and especially foreign direct investment in Lao People’s Democratic Republic (Lao PDR) has been increasing, poverty reduction has been slower than in other ASEAN Members states. GDP growth has averaged seven per cent over the past decade, largely based on exploitation of natural resources (water, minerals and forests) rather than a more diversified economy or a transition out of agricultural and subsistence employment. Consequently, labour migration remains an important livelihood option for the Lao workforce, including for increasing numbers of Lao women.

Patterns of migration in Lao PDR are complex, including both inbound and outbound flows of migrant workers. Thailand is the largest destination country for Lao migrants, primarily driven by wage differentials – the current monthly minimum wage in Lao is LAK900,000 (around US\$110) and the Thai minimum approximately double. Despite some restrictions around regular migration into low-skilled jobs. Lao migrant workers in Thailand are predominantly employed in domestic work, construction, manufacturing, agriculture and entertainment work, mainly in neighbouring border provinces and larger cities.

Some institutions have estimated that roughly 30 per cent of Lao migrant workers are women but this has been difficult to verify because the movement of Lao women to Thailand as domestic workers occurs outside regular processes. Confusion remains over the legality of Lao women migrating for domestic work due to ambiguities in the Labour Law and associated decrees that restrict movement of Lao workers into jobs that offer few learning opportunities or are contrary to cultural traditions. Many migrants could potentially be affected by this provision and forced into irregular as the majority of Lao migrant workers are employed in unskilled or low-skilled positions.

A new Memorandum of Understanding (MOU) between Thailand and Lao PDR was signed in 2016. The new MOU broadens to create a channel for regular migration but also includes cooperation on social security and skills development. Only a small number of Lao migrant workers went abroad under the previous MOU because of the high fees and long and complex process involved. Even though the maximum costs payable for recruitment have been established in law, it has been reported that recruitment agencies often charge higher amounts. In addition, the lack of clarity about the legality of regular recruitment and placement for domestic workers is thought to be a key limiting factor for women migrants to make use of the MOU process. In 2013, there was more than a three-fold increase in the number of male migrant workers going abroad through the MOU channel, creating a large gender disparity in regular migration.

Lao PDR at a glance

 Population: 6.7 million

 Labour Force: 3.5 million

Migration from Lao PDR

900,000 international migrants

Source: UNDESA (2013)

Migration to Thailand

- Completed National Verification
67,490 (August 2016)
- Migrated through the MOU
38,521 (August 2016)
- Registered in the fishing industry:
1,610
- Registered in the seafood
processing sector : 964

Source: Office of Foreign Workers Administration,
Department of Employment, Ministry of Labour

There are around 16 recruitment agencies in Lao People's Democratic Republic, with several of these wholly or partially state-owned. While some regulations on the operation of these agencies exist, it is accepted that the legislative framework requires further amendment and specificity to effectively manage this sector. Further subordinate legislation to support the application of the 2014 Labour Law is anticipated.

Inbound migration to Lao PDR is also a concern of the Ministry of Labour and Social Welfare due to the lack of a clear legal framework to manage the employment of foreign workers. There are an increasing number of mega-projects and foreign direct investments in Lao PDR, notably the expanding mining and extractive industries and controversial hydroelectric projects. These industries employ significant proportions of foreign workers who are often working without proper documentation.

Main activities (July–September 2016)

- The Technical Specialist and National Project Coordinator met with key personnel at the Lao Federation of Trade Unions (LFTU) to discuss continuing the provision of support services through its Migrant Worker Resource Centre (MRC) in Savannakhet and expanding to additional provinces. Sekong, Bokeo and Vientiane province were identified as possible expansion sites.
- The ILO TRIANGLE II project signed an agreement with the Ministry of Labour and Social Welfare, enabling the second phase to begin activities with the support of the MoLSW.

- Field research and key informant interviews for the TRIANGLE II baseline survey in Champassak, Savannakhet and Khammuane provinces were completed. A national validation workshop will take place before the results and report are finalized.
- The National Preparatory Meeting for the ASEAN Forum on Migrant Labour (AFML) was held on 14 September with TRIANGLE II support (W13:M41). The meeting focused on social protection for migrant workers, which is especially relevant for Lao PDR as the host of the AFML, and given that provisions on social protection are included in the new Thai-Lao PDR MOU.
- The Human Trafficking Working Group was held on 21 September with UN-ACT support. The aim of the meeting is for the members (UN agencies, CSOs, embassies) to provide updates on their activities related to human trafficking and safe migration. A discussion was also held to ensure that CSOs are able to effectively represent their interests at the AFML in November.
- The NPC attended a Lao-Thai networking meeting on challenges and cooperation on 23 September, supported by UNODC. The objectives of the meeting were to learn from the challenges faced by Thai NGOs in providing legal assistance to victims of human trafficking, build cooperation between Lao and Thai partners on a referral system, and discuss existing efforts by the Lao government.

Key developments

- The new MOU on Labour Cooperation between Lao and Thailand was signed in July 2016 and now includes provisions on social security for workers, as well as the establishment of labour management councils.

Upcoming activities and key dates (October – December 2016)

Date	Event	Location	Attendees	Purpose
9-10 Nov	9th ASEAN Forum on Migrant Labour (AFML)	Vientiane Lao PDR	Tripartite Stakeholders from ASEAN member countries	To review, discuss and exchange best practices and ideas between governments, workers' and employers' organizations, CSOs on key issues facing migrant workers in South East Asia
Dec	Validation workshop	Vientiane Lao PDR	Tripartite stakeholders	To present the result of the baseline survey on the costs and outcomes of migration.
Dec	Network meeting	Vientiane Lao PDR	Tripartite stakeholders	To share information on labour migration in Lao PDR among government, social partners, civil society organizations and other stakeholders.
Dec	Training on M&E and financial management for MRC service providers	Savannakhet Province	Government official (MRC staff)	To strengthen/improve the knowledge of the MRC staff.

Media

Date	Title	Media source
7 Jul 2016	Lao PDR Thanks Thailand for Taking Good Care of Lao Migrant Workers	Online News
24 Sept 2016	Cambodia, Laos, Myanmar to run substantial deficits	Vientiane Times Newspapers

The **TRIANGLE II** project extends the cooperation between the **International Labour Organization (ILO)** and **Australian Department of Foreign Affairs and Trade** on protecting migrant workers and enhancing development opportunities. **TRIANGLE II** aims to ensure that the benefits of labour migration are equally realised by men and women migrant workers; employers and governments. In shifting emphasis towards leveraging the development potential of migration, **TRIANGLE II** aims to shape labour migration opportunities to support inclusive and sustainable growth in the ASEAN Economic Community. **TRIANGLE II** focuses on delivering in six countries (**Cambodia, Lao PDR, Malaysia, Myanmar, Thailand, and Viet Nam**) and engages institutionally with **ASEAN**.