

Lao PDR (July - September 2019)

Key partners Ministry of Labour and Social Welfare (MOLSW)
Lao Federation of Trade Unions (LFTU)
Lao National Chamber of Commerce and Industry (LNCCI)

Target sites Vientiane, Champasack, Luang Prabang, Savannakhet, and Xayabouly provinces

Focal point Vongtavanh Sayavong, National Programme Coordinator.
sayavong@ilo.org, +(856-20) 77778421

Background information

While economic growth and especially foreign direct investment in the Lao People's Democratic Republic (Lao PDR) has been increasing, poverty reduction has been slower than in other ASEAN Member 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 increasing numbers of Lao women. It is estimated that there are 1.3 million Lao nationals living abroad, of whom 54 per cent are women (UNDESA, 2017).

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 is more than double this amount. 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. Financial remittances from migrant workers are a significant source of income within Lao PDR. An estimated US$149 million in remittances was received in 2018 (World Bank, 2018).

Although a major sector of employment in Thailand, the migration of Lao women abroad for domestic work occurs outside of formal channels. 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 are considered unskilled, offer few learning opportunities or are contrary to cultural traditions. Many migrants could potentially be affected by this provision as the majority of Lao migrant workers are employed in unskilled or low-skilled positions.

The latest Memorandum of Understanding between Thailand and Lao PDR was signed in 2016, broadening a previous agreement on labour migration to include cooperation on social security and skills development. Only a small number of Lao migrant workers migrated under the previous MOU because of the high fees, slow process, and administrative complexity 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.

International Labour Organization
Regional Office for Asia and the Pacific, United Nations Building
Rajdamnern Nok Avenue, Bangkok 10200, Thailand
Copyright © International Labour Organization 2019
+662 288 1742
www.ilo.org/asia
ILO.ORG
ILOTV
iloasiapacific
@ILOAsiaPacific

Lao PDR at a glance

Population: 6.8 million

Labour Force: 3.6 million

Migrants in Thailand

172,481 MOU migrants (Women=89,802/Men=82,679)

48,320 registered migrants completing nationality verification (Women=23,481/Men=24,839)

57,044 migrants registered at one-stop service centres (Women=30,878/Men=29,166)

Source: Department of Employment, Ministry of Labour, Thailand (August, 2019)

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.

There are 27 recruitment agencies in Lao PDR, with 24 of them permitted to send Lao migrant workers abroad. 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 remains under development.

Main programme activities: July - September 2019

On 14 August, **the 12th ASEAN Forum on Migrant Labour (AFML) national tripartite plus preparatory meeting** was organized to take stock of progress of stakeholders in implementing previous AFML recommendations and to discuss priorities for the 12th AFML. It resulted in 12 draft recommendations. The meeting took place in Vientiane, organized by the Ministry of Labour and Social Welfare (MOLSW). 46 participants (W24: M22) including representatives from the Government of Australia, Government of Canada, UN agencies, civil society, and TRIANGLE in ASEAN attended.

On 15 August, the Migration Network Meeting was held to share information on labour migration in Lao PDR among TRIANGLE in ASEAN programme partners, civil society, and other stakeholder organizations. The meeting discussed **advocacy for a 'zero fee to migrant worker' scheme in the revised Decree 68**. It took place in Vientiane, organized by the Department of Skill Development and Employment, MOLSW. 38 (W20: M18) participants from government, ILO, donor community, and civil society participated.

On 17 September, the Lao Federation of Trade Unions (LFTU) held a workshop on outreach skills for LFTU staff. The workshop was held in preparation for the **upcoming safe migration outreach activities at 30 garment factories** in Vientiane, to be conducted during the October to December 2019 period (W7: M6).

International Labour Organization
Regional Office for Asia and the Pacific, United Nations Building
Rajdamnern Nok Avenue, Bangkok 10200, Thailand
Copyright © International Labour Organization 2019
+662 288 1742
www.ilo.org/asia
ILO.ORG
ILOTV
iloasiapacific
@ILOAsiaPacific

Upcoming activities and key dates (October – December 2019)

Date	Event	Location	Attendees	Purpose
29 October	Training on the amended 2017 Thai Royal Ordinance on the management of foreign workers (amended) and the 'zero fee' standard in Thailand	Vientiane, Lao PDR	Representatives from recruitment agencies in Lao PDR, MRC staff, government representatives	Educate recruitment agencies who send workers from Lao PDR to Thailand on key regulatory issues.
October-December	Migration information outreach activity at 30 garment factories in Vientiane	Vientiane (city and province)	Garment factory workers	To raise awareness on migration issues among potential migrant workers.
18 – 22 November	Lao PDR MRC staff visit to MRCs in Cambodia	Phnom Penh, Cambodia	MRC staff, MOLSW	For Lao MRC staff to learn from MRC operations in Cambodia.
18 December	International Migrants Day	Vientiane and provinces in Lao PDR.	Tripartite stakeholders, potential migrant workers	To inform about migration issues and promote migrant worker rights.

Media coverage

Date	Title	Media source/ Publication
11 August	Stopping human trafficking in Lao	The ASEAN Post
20 August	Ten Lao migrant workers died, three injured in Thailand road crash	Radio Free Asia
27 August	Lao migrants fleeing poverty defy danger to work in Thailand	Radio Free Asia

The **TRIANGLE in ASEAN** programme extends the cooperation between the **International Labour Organization (ILO)**, the **Australian Department of Foreign Affairs and Trade** and **Global Affairs Canada** on protecting migrant workers and enhancing development opportunities. **TRIANGLE in ASEAN** 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 in ASEAN** aims to shape labour migration opportunities to support inclusive and sustainable growth in the ASEAN Economic Community. **TRIANGLE in ASEAN** engages institutionally with **ASEAN** and focuses on delivering in six countries **(Cambodia, Lao People's Democratic Republic, Malaysia, Myanmar, Thailand and Viet Nam)**.

International Labour Organization
Regional Office for Asia and the Pacific, United Nations Building
Rajdamnern Nok Avenue, Bangkok 10200, Thailand
Copyright © International Labour Organization 2019
+662 288 1742
www.ilo.org/asia
ILO.ORG
ILOTV
iloasiapacific
@ILOAsiaPacific