

In managing migrant labour in ASEAN, Thailand should take a lead

By Mr Pracha Vasuprasat, Chief Technical Advisor, ILO/Japan Programme on Managing Cross-border Movement of Labour in Southeast Asia

The Government of Thailand needs to think boldly about its labour migration policies if it is to be ready for future demographic, economic and labour force trends.

In our new report, "Agenda for Labour Migration Policy in Thailand", we urge the Government to be the first in the Association of Southeast Asian Nations (ASEAN) to experiment with the free movement of labour across its borders, beginning with Lao PDR. It works between India and Nepal, and in the European Union. So why can't it work here?

In addition, Thailand should reflect on the real cost of harnessing migrant workers and more aggressively encourage labour-intensive Thai businesses to relocate to neighbouring countries, thus diminishing some of the need for workers to migrate to Thailand, while creating job opportunities in those countries. Otherwise, the migrant management system will get out of hand.

Since 2006 the ILO/Japan Managing Cross-Border Movement of Labour in Southeast Asia programme has worked to promote more effective labour migration management policies in Cambodia, Indonesia, Lao PDR and Thailand. Demographic changes and economic disparities between these countries encourage migrant workers from Cambodia, Lao PDR and Myanmar to look for jobs and better incomes in Thailand. The global financial crisis does not seem to have significantly reduced the demand for these migrant workers and may have even increased the flow of them, as opportunities to earn a decent living become even more scarce in the countries that surround Thailand. An estimated two million migrant workers (a large majority of whom are undocumented) from these countries are currently in Thailand.

The establishment of an ASEAN Economic Community that will come into force in 2015 will allow products, services, capital and skilled labour to move more freely around the region. Skilled labour nationals from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam would enjoy that freedom of movement and there could be unrestricted exchanges of goods and services.

Like a number of analysts, I think Thailand's current labour migration management strategy needs to focus more on its long-term development path as well as protecting migrants from exploitation. Very few migrants legally register and the number renewing their registration is falling every year.

We know who the losers from this are. Apart from the unregistered migrants themselves, who are all too vulnerable to exploitation and abuse, Thai businesses also lose because they depend on documented migrant workers to keep their businesses running but are unable to find enough of them to fill the jobs that Thais no longer want. More importantly, it is the Government and the Thai people in general who are the losers. The Government does not know where the unregistered migrants actually are so it cannot effectively manage the situation. Local governments don't get the resources they need to be able to provide school places, health care and a decent living environment for migrant workers and their children. The exploitation and abuse of undocumented migrant workers also damages Thailand's international reputation.

The inadequate legal enforcement and the inconsistency between Thailand's Labour Protection Act and its restrictive Immigration Act further aggravate the situation of migrant workers. Migrant workers experience a range of barriers to cultural and social integration in Thai society and the world of work. These include restrictions related to their ambiguous immigration status, discrimination, negative public attitudes and information gaps. In addition, more and more migrant workers are prone to occupational safety and health hazards. They are largely outside the national social security system and the workmen compensation fund, and there are restrictions on their rights to organize, move around or change employers.

Migrants have made an important economic contribution to Thailand's growth and I believe that they will continue to be an integral factor in its further development. According to ILO research (in 2005, the latest available data), migrant workers contributed an estimated 1.25 per cent to Thailand's GDP, equivalent to US\$2 billion at current prices.

The lack of incentives for businesses to leap into high-technology production has retarded innovative growth, leaving Thailand with a stagnating, labour-intensive production system. If allowed to continue it will increase the need for more low-skilled migrants – mostly because Thailand's average annual labour productivity growth (2000–2007) is declining compared with the pre-ASIAN economic crisis (1987–1996), its labour force

growth is declining, the country's fertility rate is below the labour replacement rate and the number of young people seeking advanced degrees and decent work is increasing.

This predicament will keep Thailand stuck in a middle income trap and will obstruct both its social and economic development goals.