

Labour migration in Asia and the Pacific and the Arab States



International
Labour
Organization

Introduction¹

Labour migration is a prominent feature of labour markets in Asia and the Pacific and the Arab States.² Migration to wealthier States within the region has provided millions of jobs and generated billions of dollars in remittances for migrant workers and their families.³ Labour migration potentially offers a triple win for the parties involved, providing opportunities to learn new skills, earn a living, and meet labour shortages. However, complicated and expensive processes associated with migrating for work have created a regime that lends itself to exploitative recruitment and working conditions and, to the detriment of migrant workers, an inequitable distribution of the benefits migration itself generates. To ensure that migrant workers receive a fair share of the benefits they help to create, countries need to build migration management systems that respond equitably to the interests of origin and destination countries, migrant workers, employers, and nationals alike.

The Sustainable Development Goals (SDGs) recognize the importance of decent work and well-managed migration. SDG 8, for example, aims to promote inclusive, and sustainable economic growth, as well as full, and decent work for all. It includes target 8.8: to “protect labour rights and safe and secure working environment for all workers, including migrant workers, in particular women migrants and those in precarious employment”. Meanwhile, SDG 10 (target 10.7) aims to reduce inequalities within and among countries: to “facilitate orderly, safe, regular and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies”.

Trends

In 2013, Asia and the Pacific (excluding the Arab States) hosted 17.2 per cent (or 25.8 million) of the 150.3 million economically active migrants in the world.⁴ At 35.6 per cent, the Arab States is the subregion with the highest proportion of migrant workers in the workforce, and hosted 11.7 per cent of migrant workers worldwide, most of them from South and South-East Asia.⁵ While the Pacific Island countries featured much lower total numbers of migrants than did the rest of Asia, migration in that subregion nevertheless remained high. Seasonal worker programmes in Australia and New Zealand provide important sources of employment and remittances. Among low-lying atoll countries, climate-induced displacement is also a factor.

Labour migration in Asia and the Pacific largely occurs under temporary migration programmes, and most migrants engage in manual labour and low-skilled work. Migrant workers in the region often fill jobs unattractive to nationals, and some occupations are highly segregated by gender. Asia (in particular China, India, and the Philippines) also provides an important source of skilled workers.

¹ This brief draws on the following sources: ILO: *Realizing a fair migration agenda: Labour flows between Asia and Arab States*, Background Paper for Discussion at ILO Interregional Experts' Meeting, Kathmandu, 3-4 Dec. 2014; ILO: *Realizing a fair migration agenda: Labour flows between Asia and Arab States*, Asia Tripartite Meeting, Bali, 6-7 May 2015; ILO: *Labour migration in Asia and the Pacific: Office strategy for 2016-17* (Bangkok, 2016); ILO: *Building an inclusive future with decent work: Towards sustainable development in Asia and the Pacific*, Report of the Director-General to the 16th Asia-Pacific Regional Meeting (Geneva, 2016).

² For the purposes of this note, 'Asia and the Pacific' refers to the region that includes 47 countries, plus the Occupied Palestinian Territory, across all income levels from East Asia, South-East Asia, South Asia, the Pacific Island countries and the Arab States of West Asia, unless explicitly stated otherwise.

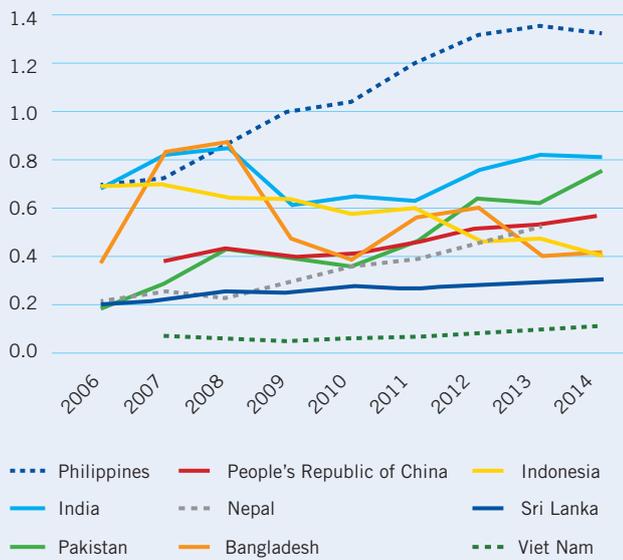
³ In accordance with the international definition in the United Nations Migrant Workers Convention (1990), this brief uses the term “migrant worker” to refer to “a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national”. It is nonetheless important to note that the Arab States prefer to use the term “temporary contract worker” or “expatriate worker”.

⁴ ILO: *ILO global estimates on migrant workers: Results and methodology: Special focus on migrant domestic workers* (Geneva, 2015).

⁵ Ibid.

Figure 1. Outflows of workers from selected Asian countries (millions), 2006–14

Panel A. Selected countries of origin



Panel B. Total



Source: The Asian Development Bank Institute-Organisation for Economic Co-operation and Development-International Labour Organization (ADBI-OECD-ILO): *Labour migration in Asia: Building effective institutions* (Tokyo, Paris and Bangkok, 2016).

Migration flows from nine major labour-sending countries in Asia remained stable in 2014, amounting to 5.2 million workers (figure 1). This was comparable to levels observed in 2013 and 2012, but 50 per cent higher than those recorded in the mid-2000s. In 2014, the Gulf Cooperation Council (GCC) countries received 72 per cent of the flows from the nine Asian countries listed in figure 1.⁶ The main countries of origin varied greatly in the proportion of women among the migrant workers deployed. Indonesia, the Philippines, and Sri Lanka typically had large outflows of women migrants engaged in domestic work. Women could also be found working in manufacturing, agriculture, hospitality, and (to a much lesser extent) construction. Men largely comprised the flows to construction in the GCC countries and to fishing in South-East Asia. Similarly, seasonal worker flows from the Pacific Island countries to Australia and New Zealand were largely male.

The number of international migrants in the Arab States roughly tripled from 11 million in 1990 to more than 32 million in 2015.⁷ In 2013, these international migrants included an estimated 17.8 million workers.⁸ In the Association of Southeast Asian Nations (ASEAN), the number of international migrants has also roughly tripled since 1990. In 2013, ASEAN hosted an estimated 9.5 million international migrants. Around two-thirds of international migrants in ASEAN came from other ASEAN Member States.⁹

Migrant workers, in particular women, earn significantly less on average than nationals in destination countries. This is because migrants often fill jobs unattractive to nationals, and women are among the least protected and lowest paid.

Migrant workers remitted more than US\$109 billion from the Arab States in 2014, mainly to Asian countries of origin.¹⁰ In that same year, six Asia-Pacific countries ranked among the top ten remittance-receiving countries.¹¹ The average cost for Asian migrant workers to remit \$200 to their origin countries has remained around 8 per cent.¹² Figure 2 shows that the cost of sending money to the Pacific Island countries was the highest, while overseas Filipino workers enjoyed relatively low average remittance costs – especially when sending money back from Malaysia, Singapore and the United Arab Emirates (UAE), given the fierce competition of remittance-sending providers in those corridors as well as the large number of Filipinos in the respective destination countries.

⁶ ADBI-OECD-ILO, op. cit.

⁷ United Nations Department of Economic and Social Affairs (UNDESA): *International migrant stock 2015* (New York, 2015), <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml> [accessed 30 Oct. 2016].

⁸ UNDESA: *The number of international migrants worldwide reaches 232 million*, Population Facts No. 2013/2 (2013), https://esa.un.org/unmigration/documents/The_number_of_international_migrants.pdf [accessed 30 Oct. 2016].

⁹ Ibid.

¹⁰ World Bank: *Migration and remittances: Recent developments and outlook*, Migration and Development Brief 25 (Washington, DC, 2015), <http://pubdocs.worldbank.org/en/102761445353157305/MigrationandDevelopmentBrief25.pdf> [accessed 30 Oct. 2016].

¹¹ Ibid.

¹² Ibid.

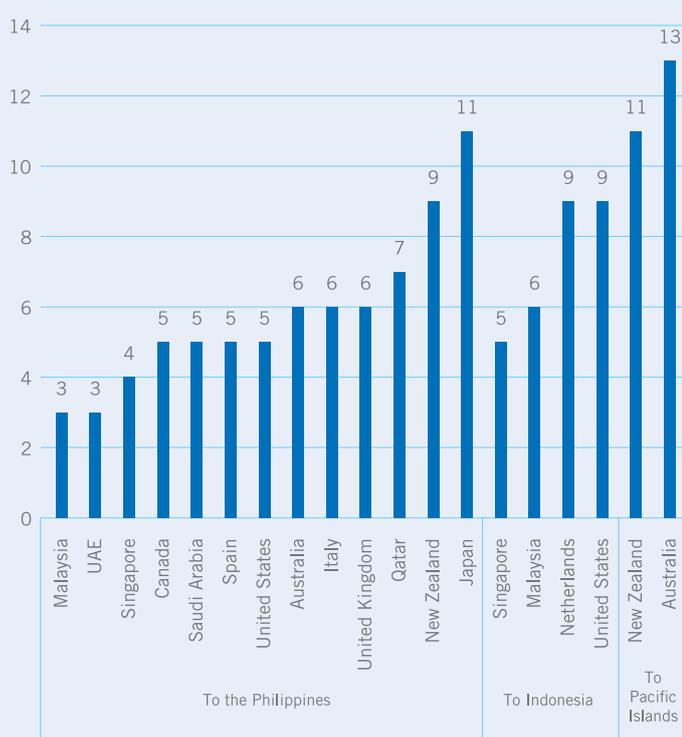
Box 1. Recruitment fees may amount to several months of salary

The World Bank, in partnership with the ILO, has developed a standard survey methodology to measure migration economic costs.¹ Surveys commissioned by the ILO found the following:

- Vietnamese workers in Malaysia**
 Most workers earned between \$300 and \$499 per month, while the mean total expenditure paid by Vietnamese workers to work in Malaysia was \$1,367. This meant workers had to direct 2.7–4.5 months of their salary to repaying their migration costs.
- Pakistani workers in the UAE and Saudi Arabia**
 The median total migration cost was \$3,100 for 24-month contracts, comprising a median \$2,300 for visa costs, a median \$350 for international transportation, and \$245 for agent costs. Thus workers had to repay 7–9 months, after deductions, of their overseas earnings.

¹ The initiative was conducted under the Global Knowledge Partnership on Migration and Development (KNOMAD), a global hub of knowledge and policy expertise on migration and development. See: <http://www.knomad.org/about-us> [accessed 29 Oct. 2016].

Figure 2. Cost of sending \$200 by sending country (per cent), Q2 2015



Source: World Bank: *Migration and remittances: Recent developments and outlook*, Migration and Development Brief 26 (Washington, DC, 2016).

Target 10.c of the SDGs – “to reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with cost higher than 5 per cent” by 2030 – provides an important indicator with respect to reducing inequality within and among countries through enhanced labour migration governance.

Recent policy developments

This section provides an overview of recent policy developments that took place in the Asia-Pacific region in areas of recruitment, working conditions, skills and partnerships.

Recruitment

Migrant workers are highly vulnerable to abuses during recruitment. Part of this is due to the high recruitment fees charged by recruitment agencies (box 1). These fees are much greater than the actual costs incurred, and they reduce the impact of migration on development.

As a follow-up to the UN High-level Dialogue on Migration and Development in 2013 and the ILO Tripartite Technical Meeting on Labour Migration in 2013, the ILO developed principles and guidelines on fair recruitment that respects and fulfills the principles enshrined in international labour standards.

Women are among the most vulnerable groups in countries of both origin and destination. Thus a number of interventions have focused on safe migration for women. Some countries have attempted to protect women workers by selective bans and raising age barriers. Such measures, however, may well discriminate against women and result in the undesirable effect of driving them into irregular channels.

Governments of countries of origin have generally responded to recruitment abuses by introducing regulations in terms of licensing requirements, limits on recruitment fees, and complaint mechanisms. Nepal announced a “no fee, no travel cost to worker” policy in

2015. GCC countries such as Qatar, Saudi Arabia and the UAE have banned charging fees to migrant workers. Despite these efforts, attempts to curb recruitment abuses have so far achieved only limited success overall.

In 2004, the Republic of Korea introduced the Employment Permit System (EPS), which instituted a government-to-government labour recruitment programme based on mandatory memoranda of understanding (MOU). A major EPS achievement has been the reduction of average migration costs for workers from \$3,509 under the former trainee system in 2002, to \$927 under the EPS system in 2011.¹³

Working conditions

Protecting migrant workers from abuse, discrimination, and poor working conditions, as well as reducing barriers and constraints to decent work, presents a second area of major importance. Migrants are often concentrated in sectors with inadequate labour legislation and enforcement. Female domestic workers in private households and male migrants working in the fishing industry, agriculture, and construction are among the least protected and lowest paid.

Some countries in the region are making amends, and have strengthened their legal frameworks and/or enforcement mechanisms to protect migrant workers:

Since the last Asia and the Pacific Regional Meeting (APRM), Indonesia has ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families; the Philippines has ratified the ILO Domestic Workers Convention, 2011 (No. 189); and Fiji Islands and Mongolia ratified the Private Employment Agencies Convention, 1997 (No. 181).

In Thailand, a Ministerial Regulation on Domestic Work was passed in November 2012. While not fully in line with the standards set out in Convention No. 189, it does provide additional protection, including mandating one day off work per week. The Thai Government has also significantly improved and passed a revised Ministerial Regulation on Sea Fisheries Work, which came into effect in December 2014.

In 2016, three interrelated ministerial decrees came into force in the UAE to regulate the employer-migrant worker relationship through labour law and a standard contract for migrant workers who obtain their work permit through the Ministry of Labour.¹⁴ These reforms aim to end employer control over migrant workers with regard to renewal of stay, termination of contract, and transfer to another employer, while also addressing the issue of contract substitution.

Jordan is one of a few States that refers to domestic workers in its labour law, while Kuwait adopted a law on domestic work (in 2015) to regulate the labour rights of domestic workers.

Labour inspection in hard-to-reach sectors such as fishing remains a challenge. The ILO has assisted the Thai Government with developing operational guidelines and tools for labour inspection of fishing vessels. A mobile inspection unit for the commercial fishing industry was also established in Thailand.

In 2015, a sector-wide collective bargaining agreement was reached for the garment sector in Jordan, which hosts more than 40,000 migrant workers. It spells out agreed minimum working conditions along with a standard contract. Nevertheless, such collective agreements are rare in the Arab States, since trade unions, with few exceptions, must operate within severely limited parameters.

In Asia and the Pacific, the ILO, in full consultation with its social partners, has supported the development of labour migration policies and laws in Bangladesh, Cambodia, Kiribati, Sri Lanka, Thailand and Tuvalu.

Skills

Skills development and skills recognition systems have great potential to improve the functioning of labour markets in countries of both origin and destination, to the benefit of both employers and migrants. The UAE has embarked on a skills pilot in construction with India, Pakistan and Sri Lanka that applies some of these principles, including testing based on destination country requirements and the issuance of skills passports.

Between 2005 and 2012, Mutual Recognition Arrangements (MRAs) were completed in ASEAN for eight occupations. The ILO is promoting mutual recognition arrangements in low- and middle-skilled occupations.

Partnerships

Bilateral Labour Arrangements (BLAs) and MOUs among governments of countries of origin and destination tend to be more effective where labour laws offer comprehensive protection for workers in all sectors, including domestic work. The design of any BLA or MOU among governments should engage the social partners, making the texts available to the public (as in the Philippines), and adopting a system of periodic assessment, particularly regarding the protection of migrant workers.

¹³ K.B. Kyung: *Update on the Employment Permit System*, Paper presented at the Effective Implementation of the Employment Permit System ILO/Korea Multi-Country Dialogue, Bangkok, 3–4 Dec. 2013.

¹⁴ This currently excludes, among others, domestic workers.

Promising developments have been achieved in trade union cooperation between origin and destination countries. Nepali and Sri Lankan trade unions signed bilateral agreements for the protection of migrant workers with their counterparts in Bahrain and Kuwait. Agreements were also signed by the General Federation of Nepalese Trade Unions (GEFONT), the Korean Confederation of Trade Unions (KCTU), and the Malaysian Trades Union Congress (MTUC). Such arrangements can assist low-skilled migrant workers with filing labour complaints and accessing redress procedures. They can also prevent recruitment malpractices by alerting workers to their legal rights including the legislation of maximum fees.

Partnerships among employers can also be important. For example, the ASEAN Confederation of Employers (ACE) has developed a three-year action plan for labour mobility and protection of the rights of migrant workers, and this could also be considered by employers in South Asia and the GCC countries.

Recommendations

People will continue to cross borders to work in the coming years. Essential to inclusive economic growth and enhanced development outcomes for migrant workers and their families are fair and effective migration policies that both (a) ensure decent work for migrant workers and (b) meet labour market needs.

Meeting these objectives requires stepped-up actions within both origin and destination countries, as well as cross-border collaboration at the bilateral, regional and multilateral levels. These measures include more effective labour laws and regulation of migrant labour practices in destination countries and institutions to enforce them, as well as the establishment of fair recruitment mechanisms, including effective monitoring and oversight at the national level and through bilateral agreements. Migrant workers most at risk, such as domestic workers, need special attention, and measures are needed to ensure that policies are gender responsive.

Policy recommendations include the following:

Ratification and implementation of relevant ILO Conventions

ILO Migration for Employment Convention (Revised), 1949 (No. 97); ILO Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143); ILO Conventions No. 181 and No. 189; and Forced Labour Protocol P029 should be promoted in countries of origin and destination.

Fair recruitment practices

Fair recruitment policy and practice should be guided by the adoption of the ILO Fair Recruitment Principles and Operational Guidelines, and the principle of zero recruitment fees to workers should be introduced in legislation across the region. In addition, countries of origin would benefit from the following: (a) developing model legislation on the regulation of recruitment practices that can be used as a yardstick, including attention to regulation of sub-agents; (b) incentives for well-performing agencies; and (c) monitoring and enforcement of legislation.

Recruitment reform in countries of destination should consider mechanisms to address visa trading in the Arab States, and simplification of immigration procedures where job vacancies are linked to labour market shortages at the sectoral level. Employers and jobseekers can be provided with alternative recruitment options that reduce the layers of intermediation and, potentially, the costs. Governments should consider matching employers and jobseekers not only via private recruitment agencies, but also via public placement agencies and directly through accredited employers and e-recruitment (both with labour attaché attestation). The project tendering process should be improved so that recruitment costs are no longer borne by workers.¹⁵

Internal labour market mobility at destination

In destination countries, restrictions on job changes for admitted migrants result in an imbalanced employer-employee relationship and limits labour market mobility; this restricts economic growth potential and may result in work-related abuse. Restrictions on mobility have thus been criticized by human rights bodies. Destination countries such as Bahrain, the Republic of Korea, and the UAE have responded with progressive changes. To address the issue of visa trading and to enhance the effectiveness of labour markets at destination for the benefit of all, internal labour market mobility should be fostered at destinations.¹⁶ Migrant workers should be allowed to terminate employment with due notice and to transfer to a different employer without the approval of the first employer. Such arrangements could substantially reduce overall recruitment costs while contributing to a better skills match.

¹⁵ R. Jureidini: *Ways forward in recruitment of low-skilled migrant workers in the Asia-Arab States corridor*, ILO White Paper (Beirut, ILO, 2016), http://www.ilo.org/beirut/publications/WCMS_519913/lang--en/index.htm [accessed 30 Oct. 2016].

¹⁶ The ILO Inter-regional Experts Meeting on Realizing a Fair Migration Agenda: Labour Flows between Asia and the Arab States in Kathmandu (3–4 December 2014) concluded that workers should be able to move within a certain occupational category in which there is a recognized labour shortage, and that employer interests need to be taken into account as well.

Skills development and recognition

More accurate estimates of labour market requirements for foreign workers can derive from a variety of sources, among these employer requests, labour force surveys, and such information as economic data and current job vacancies. Further, skills development and skills recognition systems can facilitate recruitment and a shift towards jobs with better wages and working conditions. Recognition schemes are particularly important for migrant women who have limited access to higher paying jobs in certain countries and occupations. Key approaches to upgrading and recognizing the skills of migrant workers in the region include the following: (a) applying destination country standards to skills testing of potential migrants in the country of origin; (b) establishing joint minimum standards; (c) mutual recognition arrangements; and (d) recognition of returning migrant skills.

Decent employment and working conditions

Improved legal frameworks and their effective implementation should continue to be a high priority. Models for paying workers on a transparent, non-discriminatory, and timely basis should be promoted to ensure wage protection. Passport confiscation by employers should be urgently addressed, and the good practice of workers retaining their own documents in secure spaces should be promoted. Improved organization of workers and more effective wage-setting processes are called for, and sectoral approaches should be deepened, in part by developing specific approaches to improve conditions of work in agriculture and fishing, construction, domestic work, and manufacturing. A key element of the sectoral approach should be engaging with supply chain actors where relevant, and leveraging their influence for the protection of workers.

The capacity of labour inspectorates should be enhanced as regards, among other things, the labour dimensions of trafficking, worker recruitment, and occupational safety and health. Participation of women in the design, delivery and receipt of training should be systematically promoted. Another priority is developing systems for ensuring workers have access to protection when they are back in their home countries, including receipt of any accident

compensation due. Better data collection regarding workplace accidents suffered by migrant workers is essential to improved training and prevention linked to the SDG indicators.

Migrants need better knowledge of their rights and access to support services supplied by government agencies, labour attachés, trade unions, and civil society organizations (CSOs), including Migrant Worker Resource Centres. Moving beyond a service delivery approach, male and female migrant workers should also be empowered to represent their own interests and safeguard their rights.

Partnerships and increased knowledge base

Successful governance of international migration is an inherently multilateral concern requiring cooperation between a variety of stakeholders. Several types of partnership operate in the Asia-Pacific region, including MOUs, regional integration and processes, and cooperation among trade unions and CSOs. These need to be continuously strengthened and applied on a tripartite basis.

Key research interventions to increase the knowledge base for policy-making should be continued, along with, among other measures, the collection of labour migration statistics, migration cost surveys, and surveys on attitudes towards migrant workers.

Migration and development

In countries of both origin and destination, labour migration policies should comprise integral components of employment strategies and development plans. The ILO applies a rights-based, migrant-centred approach to migration and development and to remittances. Good governance of labour migration, which ensures the protection of migrant workers' rights, is essential to optimizing the development benefits of migration. The impact of development measures is also enhanced by policies and practices that reduce remittance costs, increase financial education on the use of earnings, and promote the reintegration of migrant workers.

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ILO Regional Office for Asia and the Pacific
United Nations Building,
Rajdamnern Nok Avenue,
Bangkok 10200, Thailand
Tel.: +66 2288 1234, Fax: +66 2280 1735
Email: BANGKOK@ilo.org
www.ilo.org/asia

ILO Regional Office for the Arab States
ARESCO Centre, Justinien Street, Kantari,
P.O. Box 11-4088, Riad Solh,
1107-2150 Beirut, Lebanon
Tel.: +961 1 752400, Fax: +961 1 752405
Email: beirut@ilo.org
www.ilo.org/beirut

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