

# Migration and Labor Relations in Post-Crisis Asia

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**Abstracts.** *In the fast developing economies of Asia migration has come to play an important role. However, it has also remained opposed by public opinion and workers organizations, who consider migrants detrimental to the employment opportunities and working conditions of local workers. The crisis, which sent some Asian economies into recession and caused widespread social costs, had a specific impact on migration. A large number of migrants were repatriated, others had to endure wage cuts and worsening of labor conditions. This paper argues that because of the structural role that migration has acquired in Asian economies, it should be part of the workers organization concerns and of a regional dialogue by migrants to ensure that it is orderly and protected.*

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**Keywords:** migration; labor relations; economic crisis; trade unions; Asia.

## 1. Introduction

As the millennium fades away, people like to select events as harbingers of tendencies that will unfold in the new millennium. Two such events deserve attention. The first, the revolt in Seattle, has received widespread commentary and is indicated as the possible dawn of a new phase of direct involvement of civil society in issues that used to be let to economic and political leaders. It might also indicate a new phase in the approach to industrial relations. The second, the participation of the People's Republic of China, Japan and the Republic of Korea to the ASEAN + 3 meeting in Manila, was less noticed, also because it was not a new event. However, it was perceived as a step toward a possible not too distant new regional grouping, embracing both East and Southeast Asian countries.

Both events can be considered connected to the Asian economic crisis. In fact, it was after the crisis that the reflection of NGOs and trade unions on the directions of development and the consequences of

globalization received new impetus. Increasing free trade and liberalizing economies, almost an axiom before the crisis, has now gone under a new scrutiny. At the same time, the awareness of linkages among economies in the region, mercilessly exposed by the crisis, has brought to the fore the need for concerted action in the whole region.

In neither events migration figured prominently. There were certainly migrant organizations among the protesters in Seattle, but mingled with the crowd. As for Manila, the word migration did not appear in the Joint Statement on East Asia Cooperation. Emphasis was placed instead on the human resource development, a much more encompassing term. However, migration has become a relevant issue in Asian societies, not so much in numerical terms (although 6 million migrants are a considerable number), but because of the implications for people, societies and international relations. It is also a social phenomenon which will not disappear soon in the new millennium. If anything, it will increase. Moreover, it is a phenomenon which provides some useful insights for Asian societies and economies in the light of the crisis.

This paper will explore some issues, including labor relations, related to migration and the impact it received from the crisis. In this regard, it will first present the role of migration in Asian economies. It will then analyze the impact of the crisis on migration. Finally, it will examine the current approach of trade unions to migration. The basic contention of the paper is that in the level of integration of Asian economies brought about by globalization migrant workers cannot remain outside of the mainstream concerns of policy makers and economic leaders, and more specifically of trade unions, but must be included in the global discourse of social and industrial relations.

## **2. The Role of Migration in Asian Economies**

The most direct explanation for labor migration movements in East and Southeast Asia is that migrants originate from countries with high unemployment and underemployment and move to rapidly growing economies with scarcity of labor. However, even a superficial examination of labor movements in Asia in the past 30 years would conclude that such explanation, although fundamentally valid, is insufficient. Population movements in the region have responded to many other factors, and labor migration in particular has been partially determined by political factors. Because of the sensitivity of the presence of foreign workers in a country,

labor cannot respond freely to the needs of the labor markets and migration policies are particularly relevant to determine the size and direction of migratory flows. Therefore, the current migration flows in the region are the result of both labor market demands as well as migration policies.

Japan reached its turning point -- when the labor supply becomes scarce and wages rise -- in the 1960s (Watanabe 1994). Nevertheless, it did not immediately open its labor market to migrant workers from abroad. Emphasis was placed instead on the technological upgrading of the production process and later on the export of production to labor rich countries. Migrant labor is still not admitted in Japan. However, Japan has responded to labor needs in specific sectors, such as construction and manufacturing, by favoring the entry of migrants of Japanese descent, mostly from Brazil and Peru (about 240,000 in 1997), by offering a program for trainees, mostly employed as workers, and by allowing a sizeable number of foreigners (268,421 as of September 1999 -- Asian Migration News/AMN 30 September 1999) to remain in an irregular situation. The need for personnel in the risky sector of the nightclub industry was met by allowing women, mostly from the Philippines and Thailand, to enter as professionals.

The Republic of Korea reached its migration transition at the end of the 1990s. Before, for approximately twenty years about 2 million Koreans worked abroad, contributing some \$20 billion in remittances (Park 1994). When labor scarcity was experienced in 1990-1992, no specific immigration policy was adopted. However, migrants were allowed to become employed and to stay in an irregular situation. Also, similarly to Japan, a trainee system was adopted as a proxy for import of labor migrants. The unwillingness to come to terms with the conflicts between the needs of small industries and the political reluctance to adopt a labor migration policy has created a situation where migrants remain unprotected and disposable.

In contrast to the reluctance of Japan and Korea to explicitly admit migrants, Singapore, Hong Kong and Taiwan have adopted a more pragmatic approach to migrant labor, tailoring its entry to the needs of the economy. Singapore, in particular, has utilized migrants early in the development process, allowing them to grow to the point of reaching one fourth of the labor force (Hui 1998). Migrants have been utilized particularly in some sectors, such as construction and domestic services. However, their employment has been regulated through a levy as not to increase the segmentation of the labor market and create competition with the local unskilled population. Hong Kong has taken an ad hoc approach to the import of migrant labor, according to needs in specific projects. In addition, the number of women in domestic

services has constantly increased, reaching perhaps 184,000 in June 1999, 75 percent of them from the Philippines. However, the issue of migration to Hong Kong has taken a new twist since the reunification with China in 1997. Not only the issue of Mainland Chinese with the right of abode has created a major controversy, but also the granting of entry to Chinese workers in substitution to foreign migrants is looming large. Taiwan also completed its migration transition in the early 1990s. However, unlike Korea, it decided to adopt a policy of foreign labor import precisely to avoid a large number of irregular migrants. In a few years, migrants, mostly from Thailand and the Philippines, have reached 294,967 at the end of 1999, largely employed in construction, manufacturing and domestic services. The short duration of migrant contracts, however (two years, extendable to three), and the high costs of migration encourage migrants to opt for an irregular status.

A different model of migration policy is offered again by Malaysia and Thailand. It is a reactive model, with ad-hoc policy decisions taken after allowing a large number of migrants from the neighboring countries to enter and settle in an irregular situation. In the case of Malaysia, migrants, mostly from Indonesia, started entering in the 1980s, after the launching of the 20-year new economic policy (NEP), and found employment initially in plantations and construction, and later in the informal economy. In the case of Thailand, migration occurred in the 1990s, mostly from neighboring Burma, after Thailand, which still has a considerable number of migrant workers abroad, reached full employment. Migrants are largely employed in construction and the agricultural sector. In both countries there were attempts to regularize migrants. In Malaysia, several amnesties were undertaken (Kassim 1998) and at the end of 1998 the number of regular migrants was placed at 774,810 (Ismail 1999). A regularization took place also in Thailand in 1996, through which approximately 300,000 workers were regularized. However, irregular flows continued and at the end of 1998 only 90,472 out of 688,409 migrants had a regular permit (SMC 1999).

On the supply side, migration originates in some form or the other from all countries. However, the Philippines and Indonesia stand out as major countries of origin. The Philippines decided to encourage overseas labor in the early 1970s. It was an explicit policy of the Marcos regime to alleviate unemployment and increase foreign exchange. The number of migrants has constantly increased in the past 30 years, and the annual outflow has surpassed 800,000 (837,020 in 1999, including seafarers and migrants who renew their contract). The bulk of migrants (80 percent) head for the Middle East and East Asia. After a long prevalence of the Middle East as the major region of destination, East Asia has now become as important for Filipino

migrants. Men are involved in production (35 percent of all migrants), while women are employed in services (36 percent) and entertainment (12 percent). However, there is also a significant percentage (12 percent) of professionals (SMC 1999).

The deliberate recourse to overseas labor was adopted by Indonesia in the 1980s. It consists mostly of domestic workers employed in the Middle East, Hong Kong and Singapore, but the number of Indonesians has increased recently also in other countries, such as Taiwan. However, Malaysia has always been by far the preferred country of destination for Indonesians, except that such movement has occurred mostly through irregular channels. Estimates place the number of Indonesians in Malaysia at perhaps 1.4 million, 490,550 of whom had a regular status at the end of 1998 (Ismail 1999).

From the brief description of flows and the distribution of migrants in Asia (Table 1 and 2) it is apparent that migration plays a significant role in Asian economies. In receiving countries migrants are involved in occupations for which there is scarcity of labor force. In general, such occupations concern jobs that are refused by the local labor force because they entail little social status, or command a low salary. Among the various sectors, construction employs migrant workers in all Asian countries. In Singapore, migrants outnumber 6 to 4 local workers in construction. Taiwan has introduced migrant workers originally precisely because of the need for labor in the construction sector, which employs mostly Thai workers. The 1998 Hong Kong's Construction Labor Importation Scheme to overcome labor scarcity in the sector met strong opposition from the unions (AMN, 31 January 1998). Malaysia also depends largely on foreign workers for the construction sector, while a large number of Burmese were employed during the construction boom in Thailand. In addition to construction, migrants are largely employed in the manufacturing sector, mostly for small industries, as in the case of Korea and Taiwan, but also for major firms as in the case of Nikkeijins employed in the automotive industry in Japan or Filipinos in the electronic sector in Taiwan. A third area of employment is the agricultural sector. Work in plantations in Malaysia or in rice mills and fisheries in Taiwan has become dependent on migrant labor.

In recent years women have acquired more prominence in migration flows, particularly in East Asia. They constitute the majority of migrants from the Philippines and the majority also among regular Indonesian migrants. They are overwhelmingly employed in domestic services, particularly in Hong Kong, Singapore and Taiwan. A second sector of employment is the entertainment industry, particularly in Japan. Finally they

Table 1  
ESTIMATES OF THE STOCK OF REGULAR MIGRANTS IN SELECTED ASIAN COUNTRIES

Receiving countries	Countries of Origin							Total Migrants
	Indonesia	Philippines	Thailand	China	Bangladesh	Burma	Other	
Japan <sup>1</sup>	11,936	93,265	20,669	252,164	5,900	0	1,098,773	1,482,707
Korea <sup>2</sup>	9,600	10,800		26,700	6,300	0	95,300	148,700
Taiwan <sup>3</sup>	29,514	116,080	137,661	0	0	0	485	283,740
Hong Kong, SAR <sup>4</sup>	34,300	146,400	25,000	0	0	0	160,000	400,000
Thailand <sup>5</sup>	0	0	-	0	0	75,091	15,381	90,472
Malaysia <sup>6</sup>	490,550	14,828	7,222	0	224,609	0	37,601	774,810
Singapore <sup>7</sup>	100,000	60,000	60,000	46,000	0	0	184,000	450,000

Notes: <sup>1</sup> 1997 Foreign population (Watanabe 1998). Other includes 645,373 Koreans.

<sup>2</sup> 1996 Foreign population (SOPEMI 1998).

<sup>3</sup> July 1999 (SMC 1999).

<sup>4</sup> Mid-1997 (Ng and Lee 1998).

<sup>5</sup> 1998 (SMC estimates).

<sup>6</sup> 1998 (SMC 1999).

<sup>7</sup> 1998 (ILO estimates 1999a).

0 = No persons.

- = Not available.

**Table 2**  
**ESTIMATE OF IRREGULAR MIGRANTS IN SELECTED ASIAN COUNTRIES, 1997**

Countries of Origin	Receiving countries				
	Japan <sup>1</sup>	Korea <sup>2</sup>	Taiwan <sup>3</sup>	Malaysia <sup>4</sup>	Thailand <sup>5</sup>
Bangladesh	5,864	6,939	0	246,400	0
Cambodia	0	0	0	0	68,468
China	38,957	53,429	0	0	0
Indonesia	0	1,013	270	475,200	0
Korea	52,854	-	0	0	0
Malaysia	10,926	0	400	.	0
Burma	5,957	0	0	25,600	684,676
Pakistan	4,766	3,350	0	12,000	0
Philippines	42,627	6,302	5,150	9,600 <sup>6</sup>	0
Taiwan	9,403	0	-	0	0
Thailand	38,191	2,528	6,000	8,000	-
Vietnam	0	3,181	0	0	0
Others	72,872	17,007	5,750	23,200	92,135
<b>Total</b>	<b>281,157</b>	<b>95,027</b>	<b>20,000</b>	<b>800,000</b>	<b>845,279</b>

Source: <sup>1</sup> Overstayers, end of 1997, Watanabe, 1998.

<sup>2</sup> Overstayers, June 1998, Park, 1998.

<sup>3</sup> Estimate based on overstayers and apprehensions, Lee, 1998.

<sup>4</sup> Estimate based on 1996 regularization, Kassim, 1998.

<sup>5</sup> Employment Service Department and estimate based on 1996 regularization.

<sup>6</sup> Add approximately 150,000 Filipinos still irregular in Sabah.

0 = No persons/s.

- = Not available.

work in the health sector, both as nurses as well as care providers, both in the Middle East and Taiwan. The increasing number of migrant women indicates that countries have also become dependent on them in the sectors in which they are employed. It also indicates that problematic issues are likely to emerge, as women are involved in occupations that are largely unprotected.

To summarize this section, it is possible to say that migration has acquired a structural role in Asian economies, both in countries of destination and in countries of origin. Sectors in which migrants are employed in countries of destination have become dependent on migrant labor, while countries of origin have become dependent on the remittances of migrants. At \$5.7 billion in 1997, remittances to the Philippines were 4.5 times more than FDI and 14 percent of the value of export of goods and services.

### 3. The Impact of the Crisis

More than two years after the crisis struck some Asian countries, there is widespread consensus that the recovery is firming up. Although warnings against complacency have been expressed, both the IMF and the ADB have revised upward their estimates on the growth of the economies most affected by the crisis. The IMF is anticipating a 3.0 percent growth of the world economy in 1999 and 3.5 percent in the year 2000, while Asia as a whole should grow by 4.1 percent in 1999 and 4.3 percent in the year 2000 (IMF 1999b). The better than expected performance of most economies in the first part of 1999 forced the ADB (1999) to issue an update of the Asian Development Outlook. It noted the strong performance of the Korean economy, set to grow by 8.0 percent in 1999, followed by Taiwan (5.5) and Singapore (5.0). China's growth is expected to slow down, but it remains at 6.8 percent, while the other developing economies will also do well (Table 3). The only economy to remain sluggish is that of Hong Kong, whose merchandise export and domestic demand remain weak.

Economic recovery, confirmed also by low inflation, low short-term interest rates, increase of imports and good performance of most equity markets, which surged by 25.4 percent (in dollar terms) in the March 1998 - June 1999 period (ADB 1999), is obviously good news. However, various weaknesses remain, including the sluggish growth of private consumption, the fact that most economies were pump primed through public spending or fiscal stimulus, which will inevitably decline, and that the restructuring of the banking sector and of the Korean chaebols have proceeded slower than necessary. Moreover, the external environment is uncertain, as the spectacular performance of the US economy might not continue and, although the Euro economies should improve, there are uncertainties concerning Japan, whose role in Asia is crucial (Fischer 1999).

What is most important, insofar as migration is concerned, is that the social consequences of the crisis are still evident. In fact, in times of crisis social costs take longer to surface but even longer to heal. Although not as soon as for the financial aspects, extensive analysis has been done also on the social consequences of the crisis (Atinc and Walton 1998; Lee and Rhee 1998; Knowles et al. 1999). Opinions converge on the general observations, although the very first agreement is on the difficulty to deal with social indicators.



**Table 3**  
**GROWTH RATE OF GDP, 1996-2000**

	1996	1997	1998	1999	2000
Japan	5.0	1.4	-2.8	1.0	1.5
Hong Kong, China	4.5	5.3	-5.1	-0.5	1.5
Korea, Rep. of	7.1	5.5	-5.8	8.0	6.0
Singapore	6.9	7.8	1.5	5.0	6.0
Taipei, China	5.7	6.8	4.8	5.5	6.3
P. R. China	9.6	8.8	7.8	6.8	6.0
Indonesia	7.8	4.9	-13.2	2.0	4.0
Malaysia	8.6	7.7	-7.5	2.0	3.9
Philippines	5.8	5.2	-0.5	3.0	4.5
Thailand	5.5	-1.3	-9.4	3.0	5.0

Source: ADB 1999, except for Japan, taken from IMF 1999b.

In relevance to migration, the most significant social costs concern unemployment, wages and poverty. Rising unemployment, rising poverty and falling wages in receiving countries result in dismissal and repatriation of migrants, while in countries of origin the consequence is an increase of migration pressure. In fact, at the outburst of the crisis, those were precisely the anticipated consequences for migration: retrenchment and repatriation, in addition to increasing irregular and internal migration (Battistella and Asis 1999).

In the migration receiving countries most affected by the crisis, unemployment increased considerably in 1998. In Thailand, from 292,500 in 1997, it reached 1.13 million (3.4 percent of the labor force) in August 1998 (National Statistical Office of Thailand 1998). In Korea it rose from 2.7 percent in 1997 to 6.5 percent in the third quarter of 1998, corresponding to 1.37 million workers (Koilarf 1999). In Malaysia the seasonally adjusted unemployment rate for 1998 was 3.2, up from 2.5 in 1997, indicating that the economy was already absorbing the consequences of the crisis. A common feature among those countries was that unemployment affected mostly the construction and manufacturing sectors, because of the volatility of foreign investments, unavailability of bank loans and decline in consumption because of the loss of purchasing power after the devaluation of currencies.

The countries of origin also experienced higher unemployment. Indonesia, in particular, was the country most affected by the crisis. Unemployment increased from 4.7 percent in 1997 to 5.5 percent in 1998, according to labor force surveys, (Statistics of Indonesia 1999). However, unemployment was probably higher as people tend to drop out from labor

force in time of crisis. In fact, the IMF estimated that unemployment was higher than 8 percent (IMF 1999b). More than unemployment, however, the increase of poverty (14 percent, ADB 1999) had a significant impact on social conditions in Indonesia, resulting in social unrest in various regions. In the Philippines, from as high as 13.3 percent in April 1998, unemployment declined to 9.6 percent in October. Both in Indonesia and the Philippines, where the percentage of labor force employed in agriculture remains high, the drought caused by El Niño was the most important factor for the loss of jobs.

The other Asian countries, less directly affected by the crisis but very relevant for import of migrant labor, also suffered economic recession and loss of jobs. The unemployment rate in 1998 was 4.2 in Japan, 4.7 in Hong Kong and 3.2 in Singapore (Table 4). Taiwan - already out of the bubble economy when the crisis struck, with a prudent liberalization of the financial sector and a lower rate of non-performing loans (Lee 1998) - was the least affected country, and did not experience severe decline in employment.

**Table 4**  
UNEMPLOYMENT AS PERCENT OF LABOR FORCE

	1996	1997	1998	1999
Japan	3.3	3.4	4.2	4.6 <sup>1</sup>
Hong Kong, China	2.8	2.2	4.7	6.5
Korea, Rep. of	2.0	2.7	6.8	4.6 <sup>1</sup>
Singapore	2.0	1.8	3.2	2.9 <sup>2</sup>
Taipei, China	2.6	2.7	2.8	3.0
Indonesia	4.9	4.7	5.5	7.4 <sup>4</sup>
Malaysia	2.5	2.5	3.2	2.9 <sup>2</sup>
Philippines	8.8	8.7	10.9	9.4 <sup>1</sup>
Thailand	2.6	2.2	4.8	3.0 <sup>3</sup>

*Sources:* IMF (1999a) for Japan, Hong Kong, Korea, Singapore and Taiwan, except for National Labor Force Surveys, when indicated, in 1999; ILO (1999) "Toward Full Employment. Prospects and Problems in Asia and the Pacific." Technical report for discussion at the Asian Regional Consultation on Follow-up to the World Summit for Social Development, Bangkok, 13-15 January for Indonesia, Malaysia, Philippines and Thailand in 1996-97; National data for 1998-1999.

*Note:* 1 October 1999.  
2 September 1999.  
3 August 1999 (data are not seasonally adjusted).  
4 IMF estimate.

Although almost all economies are improving in 1999, the unemployment rate is not expected to improve much. Actually, the IMF was predicting a worsening for almost all countries, except for Indonesia (IMF 1999b). Actual data from national labor force surveys indicate that such worsening has not generally occurred, and that there had been some improvements (Table 4).

As the consequences of the crisis in the region were diversified, the impact on migration was also diversified.

### 3.1 Consequences in Most Affected Countries

Thailand, Malaysia and Korea decided immediately to face the consequences of the crisis on employment by diminishing the number of foreign workers. The reason behind the decision was based on the assumption that domestic workers would take the jobs vacated by foreign workers. It was also supported by the consideration that many foreign workers were in an irregular situation, and therefore not entitled to remain and work in the country. In other words, the repatriation policy could always be defended as strict implementation of immigration rules, rather than discriminatory action against foreign workers.

Thailand's initial plan was to repatriate the estimated one million migrant workers living in its territory. The plan was later scaled down to 300,000 between May and December 1998. The repatriation program was enacted and 298,480 migrants had been repatriated by the end of the year, according to the Employment Services Department (BATU 1999). In 1999 a similar plan was scheduled to take place between March and July. At the same time, it was announced that the permit to 90,911 foreign workers would not be extended after expiring in August. However, before the expiration of the deadline, Thailand decided to give one-year reprieve to some 86,500 workers from Burma, Laos and Cambodia to work in 18 types of jobs in 37 provinces. As of October 31, 104,571 unskilled foreign workers have registered and have been granted permission to work in Thailand until August 5, 2000 (AMN, November 15, 1999). During implementation, the repatriation program ran into trouble, because of the closing of the border by Burma, in the aftermath of the protest in the Burmese embassy in Bangkok. Many factories and farms shut down after the repatriation drive against irregular Burmese workers. About 100 garment and canning factories and 504,000 hectares (1.26 million acres) of fruit orchards in the province of Tak were said

to be reliant on illegal labor. Apparently, only 10 percent of job openings were filled by Thai workers (AMN, Nov. 30, 1999). Other employers decided to still hire irregular migrants. Raids of factories discovered that irregular workers found in the establishment had already been deported, indicating that deportation has only a temporary effect.

Malaysia also started with a bold repatriation program. Later, however, it was modified both in target as well as numbers. Migrants set to be returned were mostly those employed in construction and services. The initial intention not to renew work permits expiring in August was also modified as some of them were given an extension, while 200,000 were targeted for repatriation. Exact figures of people who were repatriated are difficult to compile because of inconsistencies in reports. However, in April 1999 it was announced that 159,135 had left the country voluntarily since the beginning of 1998, while 79,849 irregular migrants (mostly from Indonesia) were caught and repatriated, leaving 713,821 registered foreign workers in Malaysia, down from 1,033,497 in 1998 (AMN, 15 April 1999). The need for migrant workers was approved in four sub-sectors of the services sector -- restaurants, cleaning, cargo handling at ports and airports and golf caddying. However, employers facing economic difficulties resorted to illegal practices, such as the non-payment of the levy, to get rid of migrants. In July it was reported that this situation concerned some 207,800 migrants (AMN, July 31, 1999) who did not renew the work permit and became the target of crackdown operations. In addition to deportation, Malaysia also utilized amnesties to facilitate the reduction of migrant workers by encouraging them to register and return voluntarily. The amnesty from 31 August to 15 November 1998 was utilized by 187,486 migrants (AMN, 15 April, 1999). In addition, Malaysia attempted to offer migrants who were supposed to be repatriated the option to remain, provided they agreed to be deployed in the plantation sector, which suffers from frequent shortage of labor. However, only a little more than 1,000 migrants availed of this opportunity.

Korea also utilized amnesties to encourage irregular migrants to return to their countries. Three such amnesties, in which penalties for irregular stay are not imposed, were implemented in 1997 and 1998. By the end of August 1998 the Justice Ministry reported that irregular migrants had been reduced from 143,118 in 1997 to 92,699. However, already in January 1999 it was reported that irregular migration was on the rise and in September the Justice Ministry revealed that 126,043, or 34.2% of 368,212 foreign workers in Korea, were staying in the country unlawfully (AMN, September 15, 1999). This prompted the government to offer another two-month amnesty, beginning in December, to encourage them to return to their country.

At the same time that it has attempted to reduce the number of irregular migrants, Korea has passed legislation which facilitates ethnic Koreans who left after 1948 and are citizens of other countries to enter and stay in Korea.

In addition to the mix of amnesties and repatriation, these countries also toughened the immigration rules, increasing penalties to both migrants who enter or stay irregularly in the country as well as to employers who hire irregular migrants.

### 3.2 Consequences in Countries Less Affected by the Crisis

Japan, Hong Kong and Singapore were less directly affected by the crisis. Nevertheless, they also experienced recession and rising unemployment, because of structural causes that were already affecting the economy before the crisis, or because of the domino effect which is almost inevitable given the level of integration that economies in the region have reached. Therefore, they also took measures concerning migrant workers.

Beginning in February 2,000, Japan decided to enforce the Immigration Law concerning punishment of irregular aliens. They can be sent to jail for three years or be imposed a 300,000 yen fine. Also aliens who have been residing for more than three years are punishable. The measures intend to decrease the number of irregular migrants, which has been declining in recent years. The figures released by the Justice Ministry in March put the number of foreigners staying in Japan on invalid or expired visas at 271,048, mostly from South Korea (62,577), the Philippines (40,420), China (34,800) and Thailand (30065) (AMN, March 31, 1999). In September, the number of irregular migrants stood at 268,421. At the same time, the Parliament passed a law stopping the requirement of fingerprints also for temporary residents in Japan. While a survey revealed that more than 80 percent of Japanese remain contrary to migrant workers, government officials and business leaders consider the import of migrant labor to Japan inevitable, because of the decline of the Japanese population (AMN, September 30, 1999).

Hong Kong did not recur to repatriation measures to face the mounting unemployment experienced since 1998. However, the conditions of migrants worsened as the minimum wage for foreign domestic workers was cut by five percent and the imposition of a 20 percent tax for the use of public services was introduced for discussion. At the same time, Hong Kong took measures to control the entry of migrants into the country. On 4 March, the

provisional legislature approved the scrapping of the port of first asylum. Those who arrived after 9 January, the date the Immigration (Amendment) Bill was made retroactive, face deportation. Moreover, the controversial issue of the right of abode for mainland relatives of people living in Hong Kong was solved by the interpretation of SAR's Basic Law provided by the Standing Committee of the National People's Congress in Beijing which reduced the potential number of persons entitled to enter Hong Kong to approximately 200,000 (AMN, June 30, 1999).

In contrast to the general trend to get rid of migrants because of the difficulties caused by the crisis, the Singapore government advised employers to keep the most productive workers, regardless of nationality. Stricter enforcement of migration laws was implemented and penalties for violators were increased. The Home Affairs Ministry reported that a total of 23,000 irregular immigrants and overstayers were arrested in 1998, up from 14,000 in 1997 (AMN, February 14, 1999). To discourage their employment, levies were increased for unskilled workers (from \$330 to \$345 for domestic workers and from \$440 to \$470 for construction workers) while they were decreased from \$200 to \$100 to favor employment of skilled workers. In addition, the percentage of construction workers who must pass a basic skill test was raised from 20 to 50. While discouraging unskilled labor, Singapore intends to facilitate the entry of foreign talent.

### **3.3 Consequences For the Countries of Origin**

The perspective of countries of origin concerning migration during the crisis was diametrically opposed to that of the receiving countries. Countries of origin were concerned with not losing remittances because of decline in migrants abroad and not incurring in additional costs because of the reintegration of returning migrants. At the same time they were interested in facilitating the migration of those who had remained unemployed at home.

Figures on repatriation to Indonesia and the Philippines are not available. Such figures are practically never collected, as workers are not required to report, except perhaps in the arrival card at the airport. However, in the case of Indonesia, where a consistent number of migrants returned particularly from Malaysia, reentry did not take place necessarily through airports. If numbers of returning migrants are not known, what is known is that countries have limited programs available for reintegration. Thus, displaced migrants could only fall back on safety nets put in place by the government for the general population.

Remittances were expected to decrease after the crisis, because of decrease in the number of migrants abroad, because the instability of currencies did not encourage remitting money and because of decrease in migrants' wages. Data from the Philippines confirm that in 1998 remittances declined by 16 percent. However, at \$4.9 billion remittances provided a decisive contribution to maintain a positive, although limited, growth of GNP (0.1). If remittances declined, migrant families benefited from the currency devaluation, and were able to withstand the increase of prices for consumption items. Results from the first nine months of the year indicate that remittances in 1999 will increase substantially and might reach \$8 billion (AMN, December 15, 1999).

It is not clear whether the crisis resulted in an actual increase of irregular migration, as expected. The number of irregular migrants caught and repatriated increased. However, it could be simply the result of stricter enforcement of regulations, rather than increased irregular migration. As for the number of migrants deployed abroad, there was no significant change in 1998. The Philippines experienced a slight overall decrease (0.5 percent), more pronounced in the flow of migrants toward Malaysia (-69 percent) and Korea (-49 percent), but compensated by migrants going to Taiwan (+8 percent) and Japan (+14 percent). A significant increase (36 percent) was instead reported for the flow of migrants from Indonesia in 1998 (BATU 1999). In fact report of Indonesians present in various countries, including the Philippines, indicated that people tried to escape from the economic difficulties and social unrest that marked events in the nation, particularly as a result of independence to East Timor and riots in Aceh.

## 2.4 Some Lessons from the Crisis

From the description on the impact of the crisis on migration in the region, some lessons can be drawn.

a. In times of crisis migration policies become more restrictive. This was particularly evident among the countries most affected by the crisis, but it was clear also in the other countries. However, it is worthwhile asking how sound such policies can be in a context of increasing economic integration. And conversely, how can labor policies remain nationalistic when migration is structurally part of the economic system.

b. Migrants do not compete with nationals in the labor market. In the market of unskilled labor, the crisis has confirmed previous studies, which indicate that migrants do not substitute, but complement the local labor force. In the highly skilled sector, highly skilled migrants do not compete with nationals because there is need of foreign talent in Asian economies, as explicitly indicated by Singapore.

c. Reducing migration does not reduce unemployment in the receiving countries. This is just a corollary, which was proven by the unwillingness of unemployed persons in Thailand and Malaysia to fill the jobs left by migrants. Thus migration can coexist with unemployment, as has been the case for many years in Europe. In the light of this corollary, a policy of indiscriminate repatriation of foreign workers becomes even more questionable.

d. Migrants tend to remain even when conditions worsen. Perhaps there are no clear data to support this conclusion. However, it is a safe conclusion, considering the larger number of migrants caught in an irregular situation or the revolving door experience of those who were repatriated and returned soon after.

#### **4. Migration and Trade Unions**

Throughout the crisis there were not many episodes of social conflict involving migrants. Certainly there was some resistance to repatriation, and strife occurred particularly at the border between Thailand and Burma. The sector that voiced opposition to repatriation was that of employers, concerned for scarcity of labor force. Trade unions were not very involved, but it must be assumed that they did not oppose repatriations.

The traditional stance of trade unions in regard to migration has been one of uneasiness, neglect or outright opposition. Even recently, organized labor in Hong Kong expressed opposition to the labor importation scheme for the textile and garment industry (AMN, August 31, 1999). Neglect toward migrants in countries of origin derive from the fact that they are difficult to organize and do not have much interest in unions that cannot extend their protection to the overseas worksite. Neglect and opposition by unions in receiving countries derive from the lingering perception of migrants as detrimental to the labor movements as migrants take jobs away from local workers, undermine their effort to improve working and salary conditions, and keep productivity low. The uneasiness exudes from the fundamental creed of



equality of workers, regardless of nationality, unmet by practical action, which is based on nationalist convictions.

The impact of globalization, brought into focus by the crisis, is leading unions to revise some of the old convictions. Against the effects of globalization, with its relentless demand for flexibility in the labor market and the consequent erosion of acquired labor rights, unions are reconsidering migrants not simply as foreign workers competing for jobs and undermining advances in labor productivity, but as a complementary labor force in growing economies marred by much exploitation and abuse. They are also appreciating (as stated in a recent ILO Symposium for trade union organizations on migrant workers in Kuala Lumpur, 6-8 December 1999) (Ragwan and Sebastian 2000) a specific role of trade unions in advancing the rights of migrants as coherent with the effort to improve the conditions of all workers.

At the same time, they are also aware of difficulties. The first derives from the low level of unionization among migrant workers. Migrants are difficult to unionize because they work for many different employers and in different sectors, they are not easy to be contacted, as epitomized by the case of domestic workers, they come from a different cultural background and speak a different language. Moreover, in various cases there are institutional obstacles against their unionization. In Singapore, migrants can join trade unions, but cannot form their own unions. In Malaysia, it is stated in the work permit that they should not attempt to join trade unions. Therefore, considering that they are pressed with the concern to earn, at least to repay the migration costs, migrants are weary of conduct which might result in their dismissal and repatriation. In the case of irregular workers, such fear is without remedy.

Consistent with a new approach to labor migration, workers organizations are articulating action in various directions. Toward governments, they are demanding to be consulted in the elaboration of migration policies. They particularly demand to be part of the monitoring of labor importation schemes, to oppose the intentions of employers to increase the supply of labor to keep wages low. In addition they intend to press for ratification of international labor instruments, such as the ILO Conventions 97 and 143, to set standards for the treatment of migrants. Toward other unions, they are becoming aware of the importance to establish cooperation among unions in countries of origin and receiving countries as an effective way of ensuring protection to migrants throughout the migration process. They are also becoming aware of the relevant role played by NGOs in the society in

general, and specifically in regard to migrant workers, where NGOs have been more vocal and more active, and the importance to expand cooperation to other sectors of society.

## 5. Conclusion

From various parts it has been frequently repeated that globalization is without return. However, it is also apparent that globalization is not without costs, nor that its benefits accrue evenly to all societies and to all groups within societies. In particular, in front of the openness to the circulation of goods and capital, the restrictions to the circulation of workers and to the conditions for their employment and stay remain strident. In fact, within Asia, migration has increasingly acquired a structural role, responding to labor scarcity, particularly in some sectors, but responding also to the attempt of employers to maximize profits without much regard for the conditions of workers. The crisis has highlighted the disposal role of migrants, quickly dismissed in large number during times of recession. But it has also demonstrated that migrants are not completely disposable, as they have a complimentary role in economies. Recognizing such role would go a long way in ensuring a more orderly and protected form of migration, departing from practices that encourage irregular migration or favor the abuse of migrants' rights.

Countries in the region are becoming more aware of their common interest in regard to the circulation of migrants, and regional dialogue has made some progress. Particular consideration has been given to the issue of irregular migration and trafficking of migrants as stated in the Bangkok Declaration adopted in April 1999. Similarly to governments, workers organizations are also reconsidering their role toward migrants and becoming aware that a parochial approach is totally inadequate in times of globalization. Specifically, they are becoming aware that the protection of the rights of migrants is not detrimental but beneficial to the protection of the rights of workers. However, much progress needs to be made in this regard, as popular opinion easily identify migrants as the scapegoats for deteriorating conditions in employment.

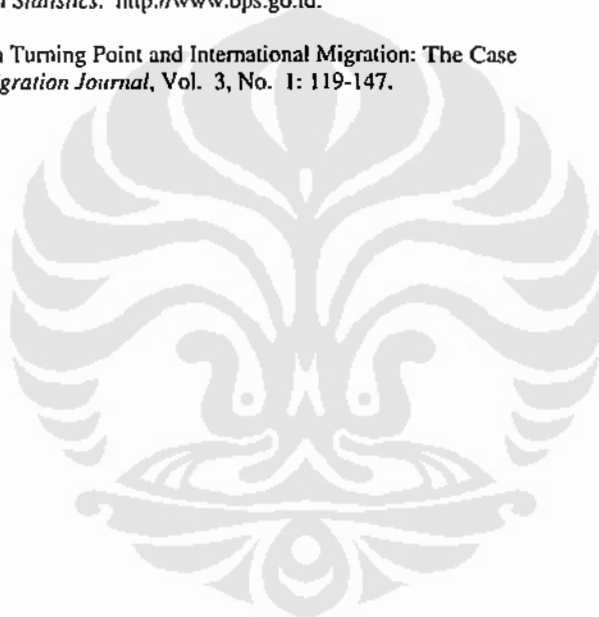
As Asia emerges from the crisis, it is obvious that things will not return to the way they were before. Changes have occurred at the political and social level throughout the region and international events, such as the protest in Seattle, indicate a greater demand for social dialogue and participation. Moreover, there is a greater conviction that "a global economy,

without a sound social pillar will lack stability and political credibility" (ILO 1999). Migration should be an explicit item in that social pillar, not only to avoid unnecessary social costs in the future, but also to benefit from migrants as partners in development.

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