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SIGNIFICANT ROLE OF LABOUR MIGRATION IN GLOBAL WORLD. CASE OF ASIA

Abstract: Every year, more than 5 million people crosses the borders of a country and seeks a more developed area. One of the most significant characteristics of today's global job market is occurring on a large scale cross-border migration. It is also a key element accompanying the processes of globalization. The first decade of the 21st century has confirmed this trend, stating at that the dynamic and significant development of economic migration. Important and significant contribution to the global migration has Asia-Pacific Region, where the scale of the flows of labour force has significantly increased in recent years. Annually about 400 thousand of Asians emigrate to North America, Australia and New Zealand. Especially large is the movement of highly skilled workers, which confirms the general trend in the world.

Key words: labour migration, migration in Asia, remittances.

1. Introduction

Human Development Report 2009 informed that every year, more than 5 million people crosses international borders to go and live in a developed country.¹ One of the most substantial characteristics of today's global labour market is huge cross-border migration. It is also a key feature of globalized world. We can define a lot of different reasons of this situation. Some of them, however, are more important as a part of process of globalization which strengthens the liberalization of commodity markets, services and capital movements. This in turn accelerates the migration of labour force. In addition, the rapid development of transport, especially low-cost airlines, the ease of transferring money, and fast access to information facilitate decision to leave the country. Disparities in wages and working conditions between countries and the development of many social networks among transnational communities are also important incentives of international movement of people. The number of persons living outside their country of birth has considerably increased over the last 35 years, and amounts today to over 241 million people and there are approximately 95 million migrant workers today, and mounting evidence indicates that labour

¹ J. Klugman, (ed.), *Overcoming barriers: Human mobility and development*, Human Development Report, UNDP, New York 2009, p. 9.

mobility – whether temporary, circular or permanent – is set to grow in the decades to come.²

Migration has shifted in the first decade of the 21st century with changing poles of attraction for labour migration. IOM informed that in some parts of the world, migrant stock has actually decreased. Although the number of Asian migrants has increased from 28.1 million in 1970 to 43.8 million in 2000 and 53.0 million in 2005, Asia's share of global migrant stock decreased from 34.5 to 23% over the same period. The same case was in Africa, where the stock decreased from 12% in 1970 to 8.1% in 2005. This is also true for Latin America and the Caribbean (down from 7.1 to 3.1%); Europe (down from 22.9 to 18.2%) and for Oceania (3.7 to 3.1%). Only Northern America and the former USSR have seen a sharp increase in their migrant stock between 1970 and 2005 (from 15.9 to 25.0% for Northern America and from 3.8 to 19.0% for the former USSR), but in the former USSR, however, this increase has more to do with the redefinition of borders than with the actual movement of people, as 75% of all international migrants are in 12% of all countries.³

Various analyses and predictions of migration showing that the volume of labour migration will increase significantly in the future raise no more doubts.⁴ Moreover, there is a wide consensus that greater international labour mobility is an integral part – as well as a consequence – of globalization and must therefore be expected in the near future. In a model developed by the World Bank, 0.3% increase in the labour force in developed countries through migration would lead to global gains of USD 356 billion – a 0.6% increase in global income – greater than gains forecast from further liberalization of trade in goods and other forms of services, with the aggregate gains being even higher for developing countries.⁵

Because over half the world's population (57.7%) lives in the Asia-Pacific region, Asia has its significant place in global migration. In recent years migration in Asia has acquired an unprecedented scale, diversity and significance. Although migration in Asia is not a recent phenomenon. About 400,000 Asians moved every year to North America and Oceania, contributing there to established communities.⁶ Particularly, highly skilled workers are in demand and flow through the Asia-Pacific region. However, it is labour migration that has emerged in the past three decades as the most significant aspect of human mobility. More than 6 million migrants are working in East and Southeast Asia, one third of whom are in an irregular situation. In fact, in addition to the temporary nature of this labour movement, determined by the

² Making global labour mobility a catalyst for development, *International Dialogue on Migration* 2010, No. 12, IOM, p. 11.

³ IOM, *Migration Facts and Figures*, April 2008, <http://www.iom.or.id> (accessed 20.04.2010).

⁴ Making global..., p. 15.

⁵ *Ibidem*, p. 16; World Bank, *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*, Washington, D.C.

⁶ G. Hugo, *Migration in the Asia-Pacific Region*, Global Commission on International Migration, September 2005, p. 2.

short duration of labour contracts and the non-availability of long-term integration, and the increasing presence of migrant women, employed as nurses, domestic workers and entertainers, the widespread irregularity in the migration movement appears the most distinguished and troublesome feature of labour migration in Asia. Irregular migration often takes the form of trafficking, with migrants, particularly women, kept in bondage or forced into prostitution.⁷

2. The development of migration in Asia

Migration in Asia is not a new process. Migration from Central Asia to the West shaped the history of Europe. Similarly, Chinese migration to Southeast Asia has changed this area of the world. Important in the processes of migration in Asia was the period of colonialism. At that time, many Chinese have settled in Southeast Asia and the Indians in Africa. In the colonial times, both played the important role of intermediaries between the colonizers and the indigenous populations.

In the 19th century, thousands of people emigrated from China and Japan to the United States, Canada and Australia. This migration led to introduce in these countries very restrictive immigration laws to stop the increasing emigration of Asians. It worked only for a moment.

The scale of migration to the West began to grow again in the 60s of the 20th century, when Canada, USA and Australia have abolished their restrictive immigration policy towards Asians. Also an increase in foreign investment and trade have facilitated the creation of communication networks needed for migration. U.S. military presence in Korea, Vietnam and other Asian countries also played a significant role in the shaping of new migration processes, as many American soldiers brought back home with them Asian wives. The war in Vietnam caused the refugee camps on a grand scale. The openness of the U.S., Canada and Australia for family reunion immigration policy meant in practice a large wave of immigration from Vietnam.

Huge construction projects in the countries of the Arabian Gulf resulted in massive recruitment of temporary contract workers. Rapid economic growth in several Asian countries resulted in the transfer of both high-skilled and unskilled workers. According to the research made by an Australian demographer G. Hugo from the University of Adelaide, at the beginning of the 21st century in the Asian-Pacific Region about 6.2 million workers were employed outside their countries of residence. G. Hugo estimated that during the second decade of the century approximately 8.7 million Asian would move to the Middle East and more than 20 million to other continents.⁸

⁷ J. Chu, *EU's Approach to Employment Policy on Labour Migration: Lessons for the East Asian Community*, the 3rd EUSA Asia-Pacific International Conference 8-10 December 2005, Keio University, Tokyo, Japan.

⁸ G. Hugo, The new international migration in Asia: Challenges for population research, *Asian Population Studies* 2005, Vol. 1, No. 1, pp. 93-120.

Asians are commonly employed in the health sector as medical personnel, in the IT sector, and as servants, mainly in southern Europe.

Most Asians live in the traditional immigration countries: U.S.A., Canada, Australia and New Zealand. The number of immigrants arriving each year from Asia to the United States rose from 17,000 in 1965 (in the year in which the U.S. Congress abolished the strict immigration procedures for Asians) to more than 380,000 annually in the 21st century.⁹

Migration from Asia to Australia began in 1973 after the abolition of the so-called discriminatory “White Australia Policy”. To Australia, according to data from 2005, mainly emigrated people from China, India, Philippines, Malaysia, Sri Lanka and Hong Kong. The census of 2006 showed that the Asian population in Australia was about 1.2 million, more than a quarter of all immigrants. Also in Canada, we observed the increase of Asian migration after 1976, as in the U.S. case, when the discriminated immigration policy was stopped. Since 1993, more than half of the immigrants, who came from Asia, were from China, India and the Philippines. The census in 2006 showed that in Canada approximately 2.3 million of Asians lived (excluding the regions of Oceania and the Middle East). New Zealand began to open to the world’s and Asia’s migration in the 50s of the 20th century. The census of 2006 showed that Chinese in New Zealand were the second largest group of immigrants after the Englishmen. The leading immigration countries were also India, Korea, Samoa and Fiji.¹⁰

Since the mid-80s of the 20th century rapid economic growth and declining number of birth in the new industrial countries of East Asia and South-East have increased the demand for labour force from outside. Labour migration in Asia has increased significantly in the first half of the 90s of the 20th century. Some emigrants returned home after the Asian financial crisis in 1997-1999, but from the early years of the 21st century, labour migration has become dynamic again. In the beginning it was a movement of mainly low-skilled workers. Then migration of skilled workers increased. Interestingly, Asian migrants are not the dominant labour force in Asia, as is the case in the Arabian Gulf. According to the ILO data, in 2004-2005, Asian migrants made up less than 2% of the Japan’s labour force, 12% of the Malaysia’s labour force and 28% of the Singapore’s labour force.¹¹

Interesting is also the enormous scale of China’s internal migration. Since the start of Chinese economic reform process in 1978, rural inhabitants began to flow gradually into the rapidly modernizing Chinese cities. Over the past thirty years, this movement has reached an unprecedented scale, often called simply the largest peace movement in the history of the world population. It is estimated that if we take into

⁹ S. Castles, M.J. Miller, Migration in the Asia-Pacific region, *Migration Information Source*, MPI, July 2009.

¹⁰ *Ibidem*.

¹¹ *World Migration 2005: Costs and Benefits of International Migration*, IOM, Geneva 2005.

account both those who had left their native province, and those who moved only to the nearest big city, the number of migrants has already reached 225 million. Migrants are very important for economic development in China. Arriving in the city, they found employment in labour-intensive industry and services and in the construction sector, mostly by taking so called 3Ds job – dirty, dangerous and demeaning. Thus contributed to creating one of China's most important global advantages – cheap but relatively well-educated workforce.¹²

In fact, in Asia, we can distinguish all types of migration, both emigration and immigration, and very often the transit migration. The countries to which emigration takes place are: Brunei, Hong Kong, Japan, Singapore, South Korea and Taiwan, countries having both immigration and emigration are Malaysia and Thailand, while the countries from which people emigrate are: Bangladesh, Burma, Cambodia, China, India, Indonesia, Laos, Nepal, Pakistan, Philippines, Sri Lanka and Vietnam.

Asian governments cannot cope with such a large-scale migration. Asian law supports the temporary migration of labour, but generally prohibits family reunification and permanent settlement of migrants. The rights of migrants are very limited there. Most migration in the region is temporary, but in some places, we may notice a tendency to settle permanently.

The issue of migration in the Asia-Pacific region can be divided more precisely into several types, such as: (a) permanent migration to Europe, Australia, and North America; (b) contract labour migration to the Gulf States and Southeast Asia; and (c) cross-border and seasonal migration within the region. Most of these types of migration contains a very large percentage of illegal migration. Typically, it consists in the extension of stay after entering the foreign country on a tourist visa. Unfortunately, the smuggling and trafficking are common phenomena.

Most emigrants from Asia are low-skilled workers, however, in the last 30 years, the number of highly skilled workers, particularly of mobile professionals, managers, and technicians increased. This so-called “brain drain” can mean a considerable loss for the Asian capital in such areas as medicine, science, engineering, management and education, in the longer it poses a serious obstacle to the development of their economies. On the other hand, highly skilled migrants can be a source of high income and investment for the country of origin and can assist domestic producers to gain new markets abroad. In 2005, UNESCO reports that over 2 million students were enrolled in tertiary institutions as foreign (non-resident) students. 52.4% of these were from Asian countries, just slightly below the population share of Asia in the world (56.5%). Five countries – the United States, the United Kingdom, Australia, Japan and Germany – account for almost 80% of the stock of foreign students. Members of this group of five also dominate as the countries of destination for students from Asia, accounting for 76.3% of total Asian enrolments. The United States is by far the

¹² S. Castles, M.J. Miller, *op. cit.*

major destination for Asian students, accounting for almost a third of the total Asian population of students acquiring tertiary education abroad.¹³

Studies on the effects of “brain drain” in Asia have shown that in the 80s and 90s of the 20th century, Asian countries have suffered huge losses. According to the research made by B. Lindsay Lowell in 2000, about 40% of Filipinos who left the country had higher education, 30% were employees of the IT industry and 60% were physicists. A similar process took place in Sri Lanka. In the era of globalization the developed countries increasingly rely on professionals coming from other countries. U.S. census in 2000 showed that half of the graduates of U.S. universities came from Asia, mainly from India and China. Almost one third of them are academics, engineers and IT professionals.¹⁴

An important phenomenon in recent years is the growing mobility of highly qualified human resources in Asia. Regional migration flows are becoming more diverse. India, Japan, Singapore, Taiwan, Korea and Malaysia are looking for ways to encourage foreign professionals to come to their countries, both temporary and permanent. Asian countries are often trying to encourage the return of their own citizens – professionals and students who left the region. Particularly, Taiwan has been successful in this field. China and India follow this example. In India, for example, in 2004 the Ministry of Hindus living abroad was created, which prepared for the Indian diaspora a system of special investment incentives and the right to lifetime visa to enter India (so-called “overseas citizenship”) among many other grants.

3. The role of Asian remittances

According to the World Bank’s *Migration and Remittances Factbook, 2008*, the global remittance flow has increased phenomenally over the past three and a half decades. From USD 2 billion in 1970, it increased to USD 131.5 billion by 2000 and had reached USD 317.7 billion in 2007, of which USD 239.7 billion went to the developing countries. These figures do not reflect the unrecorded flow through unofficial channels at the global level that may account for an additional 50%.¹⁵ The latest revisions show that officially recorded remittance flows to developing countries reached USD 316 billion in 2009, down 6% from USD 336 billion in 2008. With improved prospects for the global economy, remittance flows to developing countries are expected to increase by 6.2% in 2010 and 7.1% in 2011.¹⁶

¹³ F. Gale, S. Fahey, *Youth in Transition. The Challenges of Generational Change in Asia*, UNESCO, Bangkok 2005.

¹⁴ B.L. Lowell, A. Findlay, Migration of highly skilled persons from developing countries: Impact and policy responses, Synthesis Report, *International Migration Paper* No. 44, Geneva 2001, p. 17.

¹⁵ K.K. Sridhar, Labor migration, employment, and poverty alleviation in South Asia, *BEYOND SAFTAF*, February 2010, No. 10.

¹⁶ World Bank, *Prospects: Migration and Remittances*, www.worldbank.org, updated: April 23, 2010.

For labour-sending countries, the most direct benefit from migration is the rise in incomes accruing to migrants and the consequent inflow of remittances back home. Over the past decade, remittances have become an integral part of developing Asian economies, surpassing the amount of official aid received by a large margin (Figure 2).

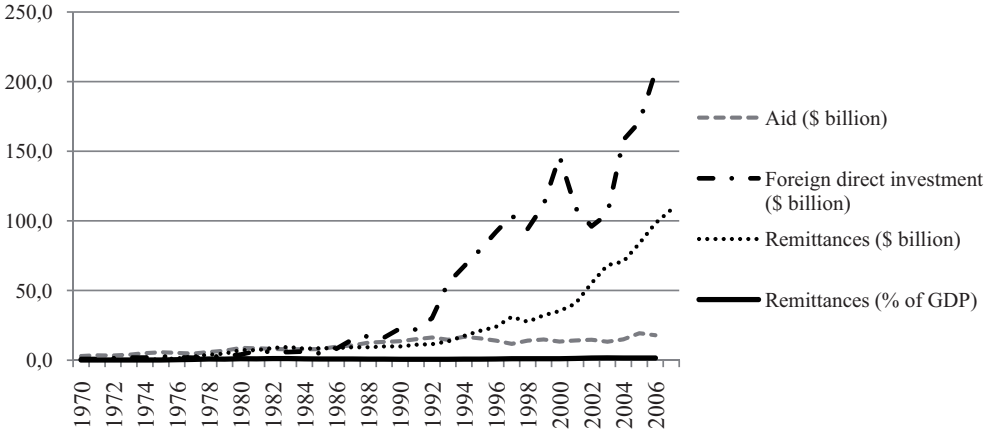


Figure 2. Aid, foreign direct investment, and remittances to developing Asia (in billion USD; 1970-2006)

Source: Organization for Economic Co-operation and Development, *Development Assistance Committee Statistics* database, www.oecd.org; World Bank, *Remittance data*, www.worldbank.org; United Nations Conference on Trade and Development, *World Investment Report* data, www.unctad.org; World Bank, *World Development Indicators*, www.worldbank.org (12.01.2010).

In 2007, South Asia received USD 43.8 billion in remittances from its migrant workers working all over the world. When unofficial remittances are combined, the total is believed to be double that amount. Remitters often use informal channels because the formal channel is often costly, inconvenient, or just not being where needed. High remittance costs faced by poor migrants can be reduced by increasing access to banking and strengthening competition in the “remittance industry”. Banks tend to provide cheaper remittance services than money transfer operators. Encouraging account to account transfers is likely to increase saving from remittances, and contribute to financial development of remittance recipient countries. Both sending and receiving countries can increase banking access of migrants by allowing origin country banks to operate overseas, providing identification cards which are accepted by banks to open accounts, and facilitating participation of microfinance institutions and credit unions in the remittance market. These institutions can deliver remittance services in poorer communities and in remote areas. They can in turn benefit as the availability of remittance services may attract customers for their loan products.

In Pakistan, remittances increased sixfold from just over USD 1 billion in 2000 to USD 7 billion in 2008; in Bangladesh, it increased from USD 2 billion to USD 9 billion; in India, it increased from USD 13 billion to USD 30 billion; in Nepal, it increased phenomenally from USD 111 million to USD 1.6 billion; and in Sri Lanka, it increased from USD 1.16 billion to 2.7 billion.¹⁷ India and China are the largest remittance-receiving countries in the world, with Philippines, Pakistan and Bangladesh not far behind (Figure 3).

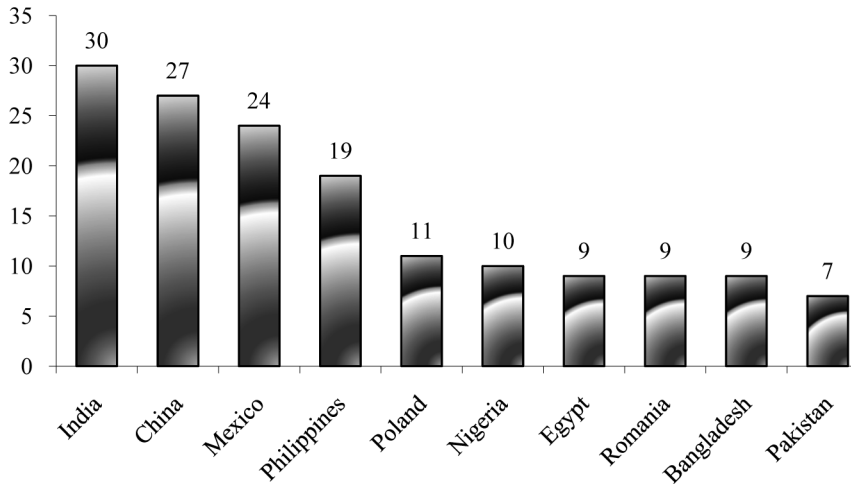


Figure 3. Top recipients of remittances (in billion USD)

Source: M. Abella, G. Ducanes, The effect of the global economic crisis on Asian migrant workers and governments' responses, [in:] *Responding to the Economic Crisis – Coherent Policies for Growth, Employment and Decent Work in Asia and Pacific*, Manila, Philippines, 18-20 February 2009.

Remittances alone represent 3.10% of India's gross domestic product, which is a sharp increase from 0.7% in 1990-91. Remittances were higher than revenues from India's software export (USD 23.6 billion in 2005-06), more than the country's expenditure on education, and more than double the combined state and federal government's expenditures on health care. Remittances to India grew even through the crisis except for the first quarter of the year 2009. In comparison to the total foreign exchange earnings from garment exports, a major foreign exchange earner for Sri Lanka, remittance income rose from 42% in 2000 to 69% in 2005. In addition to financial benefits to the sending countries, migration provides opportunities to build

¹⁷ M. Abella, G. Ducanes, The effect of the global economic crisis on Asian migrant workers and governments' responses, [in:] *Responding to the Economic Crisis – Coherent Policies for Growth, Employment and Decent Work in Asia and Pacific*, Manila, Philippines, 18-20 February 2009.

their human, capital, and social assets. Returning migrants usually gain new skills during employment abroad through what is today recognized as beneficial transfer of know-how and competences called “brain gain.” Other contributions can be less tangible than remittances but not necessarily less relevant. Migrants can play an important role in their home country by strengthening political debate, strengthening the role of civil society, encouraging education for non-migrants, and emancipating women and minority groups.¹⁸

4. Conclusions

Labour migration presents both challenges and opportunities in today’s global world. As the scale, scope, and complexity of the phenomenon have grown, states and other stakeholders have become aware of these challenges and opportunities with the growing realization that economic, social, and cultural benefits can be realized and negative consequences can be minimized. Migration generates substantial welfare gains and reduces poverty. Benefits to countries of origin are mostly through remittances. Migration and remittances can be leveraged for the development of poor countries, but they are not a substitute for development at home.

Migration in Asia is much more complex than it seems to be, however, we can identify some patterns. First, the lack of long-term planning processes of migration from governments, employers and migrants themselves. Secondly, illegal migration is very high and uncontrolled. At the beginning of the 21st century, Asia is increasingly beginning to rely on the so-called foreign workers. The 21st century is to belong to Asia in terms of economic and political development, but may also be an epoch of migration and rapidly growing ethnic diversity, which will re-shape the face of that region of the world. Asia has seen some tentative movements toward greater regional cooperation in managing and facilitating labour migration flows. There has been a significant increase in policy dialogue and cooperation among labour-sending economies and among labour-receiving economies, and between the two sets. These efforts are still very much at early stages. Regional governments need to cooperate more to further open up their labour markets, promote orderly and managed labour flows, and minimize the transaction costs of migrant workers.

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¹⁸ K.K. Sridhar, *op. cit.*

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ZNACZĄCA ROLA MIGRACJI ZASOBÓW PRACY W GLOBALNYM ŚWIECIE (NA PRZYKŁADZIE AZJI)

Streszczenie: Każdego roku ponad 5 milionów osób przekracza granice swojego państwa i zmierza do obszaru bardziej rozwiniętego. Jedną z najbardziej znaczących cech dzisiejszego globalnego rynku pracy jest występująca na ogromną skalę migracja transgraniczna. Jest to również kluczowy element towarzyszący procesom globalizacji. Pierwsza dekada XXI w. potwierdziła tę tendencję, wskazując przy tym na dynamiczny i znaczący rozwój migracji ekonomicznej. Ważny i znaczący udział w globalnej migracji ma region Azji i Pacyfiku, gdzie skala przepływów zasobów pracy w ostatnich latach bardzo wzrosła. Rocznie około 400 tys. mieszkańców Azji emigruje do Ameryki Północnej, Australii i Nowej Zelandii. Szczególnie duży jest przepływ pracowników wysoko wykwalifikowanych, co jest potwierdzeniem ogólnej tendencji na świecie.