Research Paper

Labour Migration and Integration in ASEAN

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Abstract

With the signing of the ASEAN Framework Agreement for the Integration of Priority Sectors (FA) in 2004, migration and integration issues gained significance on the agenda. Primarily concerned with increasing economic growth, this framework excludes the integration of low and unskilled migrant workers; instead, ASEAN efforts to address migration and integration issues have been limited to Mutual Recognition Agreements for skilled labour and professionals. After an analysis of migration policy in the region, we highlight specific barriers to the integration of labour migrants in two priority sectors – nursing, which is highly regulated by the state, and Information, Communications and Technology (ICT), which is typically self-regulated and privately run. Despite a MRA for nursing allowing registered nurses to practice in another ASEAN country under supervision of local nurses without registering with the host country’s nursing regulatory authority, in practice, there are major barriers to the free movement of nurses within ASEAN in terms of skills recognition, licensure requirements and other protectionist measures. Although regulations governing the inflow of ICT professionals are not as stringent as those for health care professionals, private costs associated with job search and gaining foreign employment are higher in the ICT sector, largely due to limited information on international mobility within the industry. Three sets of barriers to greater integration are discussed. Firstly, the economic and political diversity within ASEAN makes integration more problematic than in the European Union. Secondly, the primary concern with value-adding economic growth means that regional agreements are focused on skilled and professional labour migration only. Thirdly, the ‘ASEAN way’ of doing things – via a strong emphasis on consensus and non-interference with domestic policies – often mean that the FA provision for the free movement of labour is usually trumped by domestic policies that do not reflect the same desire for labour integration.

1. Introduction

The Association of Southeast Asian Nations (ASEAN) was established in 1967 for the purpose of accelerating economic growth, social progress and cultural development in the region as well as to promote regional peace and stability (ASEAN 2012). Migration and integration issues became significant items on the agenda only much later in 2004 with the signing of the ASEAN Framework Agreement for the Integration of Priority Sectors (FA). The FA identified trade in services and the
movement of ‘business persons, experts, professionals, skilled labour and talents’ as two areas which concern the movement of people in the region (ASEAN 2004: 7). As a product of the ASEAN founding purpose of accelerating economic growth, this framework for migration is primarily concerned with value-adding economic growth and thus, excludes the integration of low and unskilled migrant workers, who form the bulk of intra-ASEAN flows, especially in service sectors such as construction and domestic work (Bhatnagar, P & Manning, C 2005; Manning, C & Bhatnagar, P 2004).

Although labour migration came onto the agenda only recently, in many ways, it is not a new issue to the region. In the late nineteenth and early twentieth centuries, mass labour migration from China and India to Southeast Asia led to eventual settlement and the creation of immigrant communities and plural societies in the region (Lai, AE et al. 2012). Today, the disparate levels of economic development and income in ASEAN have created new socio-economic factors that strongly influence the corridors of migrant flows as well as the direction of flows (Chavez, JJ 2007). Intra-regional flows are asymmetrical and the ten ASEAN states may be categorized according to whether they are primarily labour receiving or sending (Kaur, A 2007). Net labour receiving countries include the wealthier Singapore and Brunei, while net labour sending countries are the poorer states of Indonesia, the Philippines, Myanmar, Vietnam, Cambodia and Laos. The two middle-income states of Malaysia and Thailand are both labour receiving as well as labour sending countries.

In addition to the heterogeneous economic landscape, ASEAN nations also reflect a mix-bag of political and cultural conditions. Myanmar, for one, has only recently opened its borders to foreign investment and its government is still predominantly backed by the military. Patron-client networks, on the other hand, dominate politics in the Philippines; and in Singapore, one dominant political party has consistently led the country since independence in 1965 (cf. Kerkvliet, BJT 1995). This diversity among ASEAN states is ‘unlike the relatively homogenous western European nations that formed the early European Community’ noted by Pasadilla (2011: 8). The uneven political and economic conditions render integration more problematic in the ASEAN context. Furthermore, ASEAN places a high premium on sovereignty and non-interference, which may be traced to a fundamental principle adopted in 1976 by all member states to mutually respect the ‘independence, sovereignty, equality, territorial integrity, and national identity’ of all nations (ASEAN 2012; cf. Chavez, JJ 2007). ASEAN countries have demonstrated a preference for bilateral agreements and/or Memorandums of Understanding (MOUs) (Hugo, G 2009). Few multilateral agreements have been ratified and there has also been a very low level of ratification of international conventions, including rights-based approaches to labour governance such as that embodied in International Labour Organization’s (ILO) Domestic Worker Convention. This follows Bhatnagar and Manning’s (2005: 171) observation that, ‘unilateral, national policies rather than regional or multilateral commitments dominate in [ASEAN] policies towards temporary foreign workers’.

The challenge of achieving regional cooperation is also exemplified by the more recent deadlock over negotiations experienced by the Task Force on ASEAN Migrant Workers (TF-AMW). The Task Force was formed in April 2006, comprising trade unions, human rights and migrant rights NGOs, and migrant worker associations, to work towards a ‘rights-based framework for the protection and promotion of the
rights of migrant workers’ in ASEAN (TF-AMW 2007). Notably, in January 2007, leaders of the 10 ASEAN countries met in Cebu, Philippines to sign a Declaration on the Protection and Promotion of the Rights of Migrant Workers that commits labour sending and receiving states to cooperate to protect the rights of migrant workers (Martin, P 2009). The Declaration was seen as an ‘important first step’ to developing and implementing a ‘binding instrument on the promotion and protection of the rights of migrant workers in the region’ (TF-AMW 2007). Since then, the Task Force has held several national and regional consultations and has prepared the ASEAN Framework Instrument on the Promotion and Protection of the Rights of Migrant Workers, which it formally proposed to the ASEAN Secretariat in May 2009 (Huguet, JW 2010). However, progress has not been entirely smooth sailing. The latest update provided by the Task Force revealed that negotiations on the draft have reached a deadlock, with Malaysia refusing to agree on key points concerning the inclusion of undocumented migrant workers and whether the instrument should be legally binding (TF-AMW 2010).

The migration framework in ASEAN is thus characterized by a fundamental concern with accelerating economic growth and integration efforts are hindered by the economic and political diversity in the region as well as the ‘ASEAN way’ of doing things, that is, via a strong emphasis on consensus and non-interference with domestic policies (cf. Katsumata, H 2003). The rest of this paper looks at three categories of labour migration within ASEAN countries – skilled migration, low and unskilled migration and to a lesser extent, undocumented labour migration. The first section that follows examines country specific policies for these three groups of workers and analyses them within the broad strokes of the ASEAN migration framework. The second section highlights specific barriers to integration of labour migrants in two priority sectors – nursing, and Information, Communications and Technology (ICT). These two sectors are chosen as they make an interesting comparison – the former is typically highly regulated by the state, while the latter is almost entirely self-regulated and privately run (cf. Manning, C & Sidorenko, A 2007). The third and final section concludes with some policy implications of creating a freer movement of labour within ASEAN.

2. The Migration Regime in Southeast Asia

Over the last decade, the movement of people between ASEAN nations has had an increasing impact on the economic, social and demographic development of virtually all ASEAN states. Not only have the numbers of people moving increased, but the types of mobility have also become more complex (Hugo, G 2005b). According to Hugo (2005b: 94), this may be attributed to the forces of ‘globalization, increased levels of education, proliferation of international media, improved transport systems and the internationalization of business and labour markets’. Indeed, increased levels of education and affluence in the richer ASEAN states have led citizens to eschew 3D (dirty, dangerous and demeaning) jobs. For example, plantation work in Malaysia is dominated by temporary labour migrants, as are jobs in the construction and domestic sectors in Singapore and Malaysia (Hugo, G 2009). This segmentation of the labour market into skilled and unskilled jobs has led to a two-tier immigration policy, where skilled foreigners, such as professional, managerial and business elites, are often given preferential treatment and even encouraged to settle in the host country; while
low and unskilled foreigners, are employed on temporary contract terms on a “use and discard” basis (Yeoh, BSA et al. 1999; Yeoh, BSA & Lin, W 2012).

**Skilled Labour Migration in ASEAN**

The movement of skilled labour flows mainly from the poorer to richer ASEAN countries. While the integration of skilled labour is clearly valued over low and unskilled labour, the three major labour receiving countries, Singapore, Malaysia and Thailand, differ significantly in their policies, with Singapore being the most aggressive in attracting and retaining skilled foreign labour. Singapore places strong emphasis on importing and integrating highly skilled labour, such as business investors and professionals, who are referred to as ‘foreign talents’ and differentiated from the low and unskilled ‘foreign workers’. Given a labour-short economy, the Singapore government has maintained that migrants contribute to the nation’s economic growth, even as the rapidly ageing population and declining fertility rates threaten to derail the country’s long-term economic growth trajectory (National Population and Talent Division 2012). In the new millennium, the country has demonstrated its desire to attract and retain foreign talents with offerings of employment passes with attached privileges of bringing dependents into the country, permanent residency and citizenship

Unlike Singapore, the importing and integration of foreign migrants is not an explicit part of Malaysia’s national development strategy (Bhatnagar, P & Manning, C 2005). With its larger population base of citizens less prone to the ravages of rapid ageing, Malaysia is not as aggressive in seeking skilled immigrants. While the country has always pursued a relatively open policy to foreign employees in FDI firms, the admission of foreign professionals in other segments of the economy have been less open (Bhatnagar, P & Manning, C 2005). The government places restrictions on the number of positions that may be filled by expatriates – only companies with a foreign paid-up capital of at least RM500,000 may be granted a limited number of permanent posts for foreigners (Malaysian Investment Development Authority (MIDA) 2012).

In Thailand, the recruitment of skilled workers is even more centralized – the process integrates immigration, labour and foreign investment arms of the government and is closely monitored (Manning, C & Bhatnagar, P 2004: 185). However, this looks set to change as the International Organization for Migration (IOM 2011) reports that Thailand has started to consider loosening the recruitment process of highly skilled workers in response to its commitment to realizing the ASEAN Economic Community (AEC) by 2015. According to IOM (2011), Thailand is likely to attract a significant number of professionals from other ASEAN countries, leading to a direct positive effect on the Thai economy. Yet, in practice, the ‘ASEAN way’ of non-interference means that multilateral agreements are often subordinated to domestic policies and it is uncertain as to how soon policy changes would have an impact in Thailand. IOM (2011) recognizes that this is a problem that may not be overcome

1 More recently, the government has tightened the inflow of foreigners in response to public discontentment over issues such as rising costs of housing and overcrowding on public transport infrastructure. With effect from July 2012, the Singapore government reduced the Dependency Ratio Ceiling, which specifies the maximum proportion of foreign workers that companies in various industries can employ (Chan, R 2012). S-Pass and employment pass criteria have also been raised to make it harder for companies to hire foreign professionals.
quickly and acknowledges that the recruitment of highly skilled foreigners remains a sensitive issue among the Thai in view of national security claims.

**Low and Unskilled Labour Migration in ASEAN**

As with the movement of skilled labour, low and unskilled labour also flows mainly from poorer to richer ASEAN countries. Among the three major labour receiving states that attract migrants from different ASEAN countries, Thailand draws in labour migrants mainly from the neighbouring Mekong region states of Cambodia, Laos, Myanmar and Vietnam (Manning, C & Bhatnagar, P 2004); while Singapore and Malaysia act as magnets for migrants from less developed countries in the region, namely Indonesia and the Philippines, and beyond. Of these labour sending countries, the Philippines stands out as one of the world’s major labour exporters. The majority of Filipino labour migrants leave for countries outside ASEAN – to the United States (over 2 million permanent migrants), Canada (over 500,000), Australia (over 200,000) and Japan (over 100,000) (Pasadilla, GO 2011). The Middle East is also another major destination, where over a million Filipinos migrants work on fixed contracts in Saudi Arabia. Comparatively, ASEAN is not an important destination: there are just over 60,000 Filipino labour migrants in Singapore and over 80,000 in Malaysia (Pasadilla, GO 2011).

Many low skilled Filipinos in Singapore are employed as domestic workers. As ‘foreign workers’ on short-term work permits, they are prohibited from taking up permanent residency or citizenship. They are also neither permitted to bring dependents into Singapore nor to marry and settle down in Singapore. The 206,000 strong foreign domestic workforce in Singapore is entirely female (Tan, A 2012). About half of them come from Indonesia and the Philippines is the second largest country of origin. Low and unskilled male migrants, on the other hand, are found mainly in the construction industry. These men come from other Asian countries, namely Thailand, Bangladesh, India and China. Low and unskilled Thai workers tend to migrate to stronger economies in East and Southeast Asia, the Middle East as well as other parts of the world. About 84 per cent of Thai workers overseas are male and employed in construction, manufacturing and agriculture (Department of Employment 2010, cited in IOM 2011: 39). As of 2010, there were about 20,074 Thais deployed through official channels and working in ASEAN countries, namely Brunei, Singapore and Malaysia (IOM 2011: 13).

Similar to Singapore, Malaysia also distinguishes between the recruitment of skilled and unskilled labour. Unskilled workers are referred to as *perkerja asing* (foreign contract workers) and they dominate the plantation, construction and domestic work sectors (Kaur, A 2007; Leigh, M 2007). Settlement is also not permitted for these workers who are typically employed on temporary contracts and the Malaysian government imposes a levy on the employers of these workers.

In view of the less favourable policies for low and unskilled workers in the host countries, some sending countries have in recent years stepped up efforts to protect their citizens overseas. The Philippines has long been the leader in developing a sophisticated policy regime to encourage and regulate its Overseas Foreign Workers (OFWs), both skilled and unskilled. Migration has been employed as a two-pronged development strategy for the Philippines since the mid-1970s – firstly to generate
remittances, and secondly as an explicit response to double-digit unemployment rates (O’Neil, K 2004). Firstly, remittances from OFWs are a major contributor to the Philippine economy. In 2011, USD20.1 billion was remitted from overseas Filipinos via formal channels, accounting for about nine per cent of the country’s GDP (Bangko Sentral ng Pilipinas (BSP) 2012; The World Bank 2012). This helped to sustain economic growth even as export income declined due to weak demand from the Euro zone and the United States (Remo, MV 2012).

Secondly, unlike most ASEAN countries, the Philippines trains many of its citizens for the explicit purpose of sending them overseas. The rationale for this is partly derived from arguments that the Philippine economy cannot effectively absorb its labour force, hence its citizens can make a greater contribution by seeking employment overseas and remitting earnings home (Hugo, G 2005b). For example, econometric analysis conducted by Goldfarb et al. (1984) found that the Philippines would gain a net benefit by training physicians for export. As a result of their strategic importance to the vitality of the economy, OFWs are highly valued in the Philippines. Each year, the president awards the Bagong Bayani (modern-day hero) award to honour outstanding migrant workers for demonstrating competence, responsibility and showing a track record of contributing to the country’s foreign exchange earnings (Bagong Bayani Foundation (BBFI) 2011).

Indonesia appears to be closely following in the footsteps of the Philippines. However, at present efforts are concentrated on protecting its low and unskilled migrants. Recent developments in Indonesia’s foreign policy have focused on the need to better protect the rights of its citizens working overseas (known as Tenga Kerja Indonesia or TKI). Particular attention has been paid to Indonesian women who work as foreign domestic workers overseas. Previously, foreign domestic workers working in Singapore were subjected to a placement fee of about eight months’ salary – this meant that they only received a meager monthly allowance of SGD10 or SGD20 for the first eight months of their two-year contract, as their salary went towards debt repayment (Tan, A 2012). Since mid-2012, however, the Indonesian government has stepped in to reduce the loan amount from about eight to four months’ salary. The loan is now disbursed by an Indonesian bank, instead of an employment agency, thereby increasing the amount of regulatory surveillance over the recruitment process.

It is important to note that unlike the Philippines, where remittance is a significant contributor to the economy, Indonesia is not overwhelmingly dependent on remittances. In 2007, USD1.1 billion was remitted via the formal banking sector, but according to Bank Indonesia’s (2009) estimates, total remittance via formal and informal channels was approximately USD6.1 billion. This corroborates Hugo’s (2005a) point that remittances in Asia are often underreported and underestimated. More recently, figures from Bank Indonesia estimate that total remittance via formal channels in rose to USD6.1 billion in 2011. Although this figure pales in comparison with the USD20.1 billion remitted from overseas Filipinos via formal channels in the same year, it is significant that remittances to Indonesia have steadily been increasing since 2001. Furthermore, it is notable that since 2005, remittances have been higher than inflows of development aid (Bank Indonesia 2009: 8). This is particularly significant given the centrality of remittances to household survival strategies among Indonesia’s poor (Bank Indonesia 2009; Hugo, G 2005a).
Another ASEAN country in which remittances are playing an increasing role in the economy is Vietnam. Hugo (2005b: 107) presents figures to show how in 2002, remittances from the Vietnamese diaspora reached USD2.4 billion, double the USD1.2 billion recorded just four years earlier. It is estimated, however, that this official figure underestimates the total remittance flow, which is closer to USD4 billion. Cohen (2003) argues the remittances, which were equivalent to 11 per cent of Vietnam’s GDP, were crucial in helping the country manage its USD2.77 billion trade deficit as well as to reduce pressure on the local currency and stimulate private investment. More recently, figures from the World Bank estimate total remittances via formal channels to be about USD8 billion in 2010 – representing 7 per cent of GDP and almost double net official development assistance (Migration Policy Institute 2011). All these remittance trends point to the growing importance of labour migration within ASEAN nations.

Undocumented Labour Migration in ASEAN

Undocumented labour migration – the causes of irregular migration, state control (or failure to control) the presence of undocumented migrants, and its links to documented flows – is a major force in the region that has attracted scholarly attention (Asis, MMB 2004). Data obtained from official channels for migration in ASEAN often differ significantly from unofficial channels for migration. In response to legal and physical barriers to labour migration, many Asian workers have adopted undocumented migration strategies (Hugo, G 2005b). Unofficial channels allow workers to bypass high transaction costs, as official channels for migration are almost always more expensive and time consuming. Brokers and middle-men are significant mediators of migration in Asia, helping would-be migrants to navigate through the often complicated and bureaucratic process of recruitment (Lindquist, J et al. 2012). Although these operations are not entirely separate from the state and are in fact crucial even in official channels of migration, they are particularly indispensable in unofficial channels of migration.

With the exception of Singapore, the problem of undocumented labour migration is a significant one in the main labour receiving ASEAN states, namely Malaysia and Thailand. It is estimated that there are at least 1 million undocumented workers in Malaysia, mostly from neighbouring Indonesia but also some from the Philippines (Hugo, G 2009: 29). The problem has been particularly severe in the state of Sabah from as early as in the 1970s. Newspaper reports estimate that in 2010, there were more than 500,000 undocumented immigrants in Sabah, which has a total population of about 3.1 million (New Straits Times 2012). In 2011, Malaysia announced that it will grant amnesty to some 2 million undocumented migrants (Allard, T 2011).

Thailand is one step ahead in this area and has already in place a more definite policy for regularizing undocumented migrants. Since the early 1990s, Thailand had an almost yearly amnesty programme to allow undocumented migrants to register legally for one to two years to work as labourers or domestic workers (IOM 2011). However, this kind of amnesty programme is not without flaws – as IOM (2011: 18) points out, it serves only as a quasi-regularisation of migration as the worker’s status remains as ‘illegal, pending deportation’. In recognition of this problem, in 2004, Thailand devised the Nationality Verification (NV) process for the purpose of providing a more definite means of regularizing migration. As part of the process,
undocumented migrants who are already in Thailand must provide personal data to their home countries for verification in exchange for a temporary passport or a certificate of identity, a visa to remain in Thailand for two years (extendable for two years before they must return home for at least three years) and a legal work status (IOM 2011: 19). Alternatively, would-be migrants from neighbouring countries may seek employment in Thailand directly with temporary passports.

While these regularization processes may have increased migrants’ confidence and access to rights, the inability to develop efficient bilateral systems to facilitate labour movement with other countries in the Mekong region, lack of transparency and high costs from unregulated brokers are some challenges that continue to hinder the progress of regularization (IOM 2011). Once again, integration efforts are hindered by the economic and political diversity in the region as well as the ‘ASEAN way’ of doing things, that is, via a strong emphasis on consensus and non-interference with domestic policies.

3. The ASEAN Regional Framework for Migration and Integration

The 2004 ASEAN FA is a regional effort to promote labour mobility and integration. The FA identified trade in services and the movement of ‘business persons, experts, professionals, skilled labour and talents’ as two areas, which concern the movement of labour in the region. The member states agreed to achieve freer flow of trade in services, develop Mutual Recognition Agreements (MRAs) to facilitate the movement of skilled workers and to promote joint ventures and cooperation. However, it is important to note that the MRAs do not override domestic regulations. This is unlike the European Union (EU), where regional policies play a dominant role in shaping labour movement. An EU national is entitled to work and live in any EU country without the need for a work permit; and upon legally residing in another EU country for five continuous years, one automatically acquires the right of permanent residence (EUROPA 2012). In ASEAN countries, as illustrated in the previous section, the right of permanent residence is only granted selectively to migrants whose skills are in demand. Another notable difference concerns labour market segmentation – within the EU, there is no explicit restriction on the movement and integration of low and unskilled EU nationals within the EU. However, within ASEAN, as the FA is primarily concerned with value-adding economic growth, emphasis is placed only on the movement and integration of skilled workers and professionals.

Priority service sectors identified by the ASEAN FA for integration include e-ASEAN, health care, air transport and tourism (ASEAN 2009b). In order to facilitate the movement of skilled workers in these sectors, negotiations on MRAs were first mandated at the seventh ASEAN Summit held in 2001. As of 2009, seven MRAs have been signed by the ASEAN Economic Ministers for engineering, nursing, architecture, surveying, accountancy, medical and dental practitioners (ASEAN 2009a). The aim of MRAs, as the ASEAN (2009a) report explains, is to ‘facilitate the flow of foreign professionals taking into account relevant domestic regulations and market demand conditions’. For example, the MRA for nursing, allows a registered nurse to practice in another ASEAN country under supervision of a local nurse without the need to be fully registered with the host country’s nursing regulatory authority (Manning, C & Sidorenko, A 2007). However, in practice, there are still barriers to the free movement of nurses within ASEAN in terms of skills recognition,
licensure requirements and other protectionist measures, as domestic policies still override the MRAs (cf. Matsuno, A 2008).

**Specific barriers in nursing**

Domestic policies governing the recruitment of foreign nurses in ASEAN are as diverse as the region’s economic and political conditions. Yet, it is possible to generalize that the wealthier countries have more liberal policies, whereas the lower income countries have more stringent regulations to restrict the inflow of foreign medical professionals (Manning, C & Sidorenko, A 2007). Driving these policies are domestic demand and supply factors. In the case of Singapore, the country has one of Asia’s most rapidly ageing population and consequently, a high demand for quality health services (Huang, S et al. 2012; IOM 2008). This high demand, however, far outstrips supply as few Singaporeans train as nurses. Manning and Sidorenko (2007: 1092) report that although the number of health science graduates from Singapore’s polytechnics grew about ten per cent per annum between 1998 to 2003, the implied growth in demand for health care was 20 per cent over the same period. As such, the country is dependent on foreign nurses to meet the shortage.

**Skills Recognition**

While foreign nurses make up about 20 per cent of Singapore’s nursing force and the country aggressively seeks to attract and retain them, a considerable amount of de-skilling takes place for foreign nurses seeking employment in Singapore. Foreign nurses who were mid-level skilled workers, such as Registered Nurses in their home countries, often have to downgrade to low and unskilled workers, such as Enrolled Nurses or even to Nursing Aides in Singapore (Huang, S et al. 2012). Enrolled Nurses and Nursing Aides who earn less than SGD2,000 per month enter Singapore under the work permit system like foreign domestic workers; and they are prohibited from bringing their families and excluded from permanent residency and citizenship considerations. The more skilled and qualified nurses who earn a fixed monthly salary of at least SGD2,000 are eligible for the ‘S-pass’ (Ministry of Manpower 2012). This is an intermediate level work pass that was introduced in 2004 to facilitate the employment of foreign mid-level skilled workers (Huang, S et al. 2012). Only S-pass holders who earn more than SGD4,000 per month are allowed to bring in dependents, a benefit that is also extended to the higher-level skilled employment pass holders, that is, foreign professionals working in managerial, executive or specialised jobs.

Although the ASEAN nursing MRA accepts qualifications obtained in recognized institutions in the home country, it does not override the receiving country’s domestic regulations. Therefore, the Singapore government is permitted to actively control the registration and enrolment of nurses, even downgrading their professional ranks, in order to maintain what it deems to be desired health care standards. While the state permits Enrolled Nurses and Nursing Aides to upgrade their skills to become Registered Nurses during the course of their work in Singapore, employers’ approval is required in order to apply for the examination. Unfortunately, in practice, there is little upward mobility as many employers prefer to keep their staff as Enrolled Nurses and Nursing Aides in order to keep salary costs down (Huang, S et al. 2012).
Licensure Requirements

The shortage of nurses is not unique to Singapore. In its 2010 report, the International Council of Nurses projected a continued shortage of nurses in Thailand and Malaysia, which is expected to continue over the next five and ten years respectively. Like Singapore, Malaysia has taken steps to attract foreign nurses. It offers a separate examination for foreign and/or foreign-trained nurses to help ease their entry (Matsuno, A 2008). Thailand, on the other hand, despite the (projected) shortage, has not resorted to having an open policy for foreign health professionals, even though the ASEAN FA makes provision for the free movement of nurses. Instead, Thailand shields its professional health services from foreign competition by imposing strict registration procedures and tries instead to improve the retention rate of its local nurses (Matsuno, A 2008).

To practice as a nurse in Thailand, one is required to pass the national licensure examination. However, the examination is conducted only in the national language, Thai. This poses a very high barrier to the entry of foreign nurses, who must first master Thai. In fact, so unwelcoming is this requirement that in the few years leading up to 2008, only one foreigner has received a license to practice nursing in Thailand (Matsuno, A 2008). Language thus remains a significant barrier within the nursing sector in ASEAN. It is only in Singapore, Malaysia and the Philippines, where English is widely spoken, that the movement of nurses is relatively unhindered.

Other Protectionist Measures

Other barriers in the nursing sector include citizenship requirements and cross-sectoral quantitative restrictions (Manning, C & Sidorenko, A 2007). Citizenship requirements apply in Indonesia and the Philippines. In Indonesia, foreign doctors and nurses are not allowed to practice in local hospitals except on a temporary basis as senior medical officers or as medical specialists in corporations in the oil, gas and mining sectors (Manning, C & Sidorenko, A 2007). Likewise, professional health practice in the Philippines is restricted to Filipinos alone (Manning, C & Sidorenko, A 2007: 1102). This, however, is understandable because the Philippines has a surplus of nurses, which is projected to continue until at least 2020 (International Council of Nurses 2010).

Cross-sectoral quantitative restrictions, on the other hand, are common in the Mekong region countries. Thailand, Vietnam and Cambodia impose stringent restrictions on the number of foreign workers in a firm. Vietnam limits the number of full-time foreign workers in a firm to three per cent; Thailand caps the number at five foreign workers per company; and Cambodia restricts it to ten per cent (Manning, C & Sidorenko, A 2007: 1102). Although these quantitative restrictions are not specific to the health care sector, they limit foreign hospitals from establishing themselves in the local market, as they are unable to recruit sufficient local health professionals with the necessary level of skills.

Individual Migration Trajectories

In addition to regulatory barriers to movement within the nursing sector, it is also worth noting that for some nurses, moving within ASEAN is just the first-step in a
chain of migration ambitions. Countries like Singapore and Malaysia act as transit points for foreign nurses seeking further migration to popular destinations, such as the United States (US) and the United Kingdom (UK). The majority of foreign nurses who leave Singapore are Filipinos and they tend to move to the UK, US or Canada on completion of their employment contracts (International Council of Nurses 2010). Consequently, the co-existence of shortages and outflows of nurses to international markets is common in several ASEAN countries. Therefore, although reducing regulatory barriers may increase mobility within the nursing sector, such policy measures will do little to promote integration if individual migration trajectories are aimed at further destinations.

Specific barriers in ICT

E-ASEAN was identified as one priority sector for integration in the 2004 ASEAN FA. In 2005, the MRA for engineers was signed to ‘facilitate [the] mobility of engineering service professionals’, which include Information, Communications and Technology (ICT) engineers (ASEAN 2005). The ICT sector provides an interesting juxtaposition to the nursing sector. The latter is typically highly regulated by country-specific laws and guidelines and monitored by influential professional associations such as the Singapore Nursing Board, Thailand Nursing and Midwifery Council, Nurses’ Association of Thailand and the Philippines Board of Nursing. In contrast, the ICT sector is almost entirely self-regulated and standards are largely enforced by the private sector (cf. Manning, C & Sidorenko, A 2007). Individuals have direct access to jobs in the ICT sector, unlike in nursing, where recruitment is highly regulated and often centralized. One key reason for this difference is that the quality of health care has a direct and obvious impact on human health, whereas, the quality of ICT services does not bear so directly on human health (Manning, C & Sidorenko, A 2007). Governments are, therefore, understandably stricter with the enforcement of desired professional standards in the nursing profession, than in the ICT profession.

In the health care sector, the higher income ASEAN countries have more liberal in-migration policies for health care professionals. However, in the ICT sector, the same trend is not as apparent. Although the wealthier countries have, in general, more liberal in-migration policies, the ICT sector stands out as an anomaly. The lower income countries, such as Thailand, Indonesia, Vietnam, Laos, Cambodia and Myanmar, all have relatively more open policies to attract foreign investment to the ICT sector in comparison to their policies for other sectors of the economy (Manning, C & Sidorenko, A 2007). Their eagerness to attract foreign investment in ICT as a latecomer might help to explain their more liberal policies. For example, Myanmar is still many years away from producing graduates that are competitive in the international ICT market. Hence, in order to jump-start its ICT sector, Myanmar is eager to welcome foreign ICT professionals.

Limited Information and Visa Procedures

Still, despite relatively liberal in-migration policies and e-ASEAN initiatives, there remain restrictions on the inward mobility of ICT professionals. Although regulations governing the inflow of ICT professionals in ASEAN countries are not as stringent as those for health care professionals, private costs associated with job search and gaining foreign employment appear to be higher in the ICT sector, largely due to
limited information on international mobility arising from the unregulated nature of the industry (ASEAN-ANU Migration Research Team 2005; Manning, C & Sidorenko, A 2007). Limited information causes processing delays in securing entry and work permits and reduces incentives for in-migration. As highlighted by the ASEAN-ANU (2005) report, the chief barriers to entry of ICT professionals into Myanmar and Laos are cumbersome work permit application procedures, which are accompanied by exorbitant visa fees and processing delays.

Quantitative Restrictions and Other Regulations

Other barriers to entry relate particularly to quantitative restrictions, conditions on employment and economic needs tests. Quantitative restrictions are in place in countries like Thailand, Vietnam and Cambodia. But, recognising the shortage of ICT professionals, the Ministry of Information and Communication Technology of Thailand (MICT) was reported in 2005 to be working on relaxing the five-person quota in the local IT sector (ASEAN-ANU Migration Research Team 2005: 53). However, a search of MICT’s website reveals no policy updates about the quota (MICT 2007). Thus, while policy changes may be desired, the actual process of change is frequently slow and often encumbered by diverse local interests as well as limited data.

Conditions on employment, on the other hand, are in place in Indonesia, Cambodia, Laos and Myanmar. These countries require an employer to ensure that capacity-building and skills-transfer take place, with the intention that local staff will eventually replace the foreign professionals (Manning, C & Sidorenko, A 2007). Thus, the movement of ICT professionals tends to be biased towards the high-skilled end of project managers (ASEAN-ANU Migration Research Team 2005).

Thirdly, an economic needs test allows foreigners to be employed only on a need-to-basis and upon satisfaction of domestic requirements. In Malaysia, this means, among other things, that an employer is required to advertise domestically before extending the job to a foreigner (ASEAN-ANU Migration Research Team 2005). In Indonesia, foreign directors, managers and technical experts/advisors, are allowed a maximum stay of two years, subject to one year extension, based on an economic needs test (ASEAN-ANU Migration Research Team 2005).

Skills Recognition

In addition, there is the problem of non-recognition of educational qualifications and professional training. Unlike the nursing profession, there is no standardized mechanism for the recognition of foreign IT qualifications (ASEAN-ANU Migration Research Team 2005; Manning, C & Sidorenko, A 2007). The onus is on individual employers to scrutinize the qualifications of their foreign recruits. It is important to note that the constantly changing nature of IT and computer science may mean that attempts to introduce standards may be excessive and slow to respond to technological developments (ASEAN-ANU Migration Research Team 2005). The ASEAN-ANU (2005) report also found that private investment in professional development via proprietary certification, such as those accredited by Microsoft and Cisco, yield a higher return through the premium accorded to an employee with such qualifications. As such, unlike the health care sector, industry certification rather than
university degrees and diplomas may be more crucial for international mobility in the ICT sector.

In short, despite the relatively more liberal in-migration policies, the eagerness of many ASEAN countries to attract foreign ICT investment and regional initiatives to promote integration in the e-ASEAN sector, it is evident that many obstacles to the movement of labour in the region still remain. The final section explores some policy implications of improving the movement and integration of labour within ASEAN countries.

4. Policy Implications

To date, ASEAN efforts to address migration and integration issues have been limited to MRAs for skilled labour and professionals. Neither low and unskilled labour migration nor undocumented migration issues have been addressed by regional efforts. Globally, the most liberal provisions for labour migration are found in the EU and in the Common Economic Relations (CER) agreement between Australia and New Zealand (Neilson, cited in Bhatnagar, P & Manning, C 2005). These regional agreements grant access to the labour markets of member countries without work permits and provide mutual recognition of qualifications. The ASEAN experience, however, shows that geographical proximity and a common history alone are insufficient for labour integration (Bhatnagar, P & Manning, C 2005).

It appears that there are at least three barriers to greater integration in ASEAN. Firstly, as mentioned in the introduction, the economic and political diversity within ASEAN makes integration more problematic than in the EU. Secondly, the primary concern with value-adding economic growth means that regional agreements are focused on skilled and professional labour migration and exclude the integration of low and unskilled migrant workers. Hugo (2005b) points out that most net labour receiving countries in Asia tend to have strong restrictions on immigration. While people with high levels of financial or human capital are courted, other migrants are only allowed temporary stay and their rights are generally considerably curtailed in comparison to citizens. Common measures to ensure that low and unskilled migrants do not settle include: disallowing family to accompany or visit the worker, limiting the mobility of the worker within the country, tying the worker to a single employer, prohibiting marriage to citizens and restrictions on rights (Hugo, G 2005b: 114-5).

The third barrier to greater labour integration lies with the ‘ASEAN way’ of doing things, that is, via a strong emphasis on consensus and non-interference with domestic policies. Theoretically, the ASEAN FA makes provision for the free movement of labour in priority sectors, however, in reality, domestic policies do not reflect the same desire for labour integration. A case in point is the nursing sector, where it is clear that domestic policies trump regional agreements and there remain many barriers to the free movement of nurses within ASEAN.

The lack of regional cooperation on the issue of labour migration integration suggests that it is not on the active agenda of ASEAN as an issue of regional importance. If a freer movement of labour is to be achieved, then the underlying challenges posed by political and economic diversity, the emphasis on value-adding economic growth and the ‘ASEAN way’ need to be addressed. In addition, as Hugo (2005b: 115) points
out, migration policy development in Asia is too frequently based on the interests of particular groups and ‘misunderstanding of the nature and effects of migration’. He urges that there is a critical need for more evidence-based decision making. This calls for greater collaboration between researchers and policy makers with respect to the development of migration policy.
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