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## Migration between South and Southeast Asia: Role of Interstate Cooperation<sup>1</sup>

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### 1. Introduction

Asia is the second most important host region for international migrants, next only to Europe. According to United Nations statistics, in 2010, the region was host to 61 million international migrants, or 29 percent of the world's migrant stock. Asia has exhibited the highest growth as a host region for migrants in the 2005-10 period with an annual average growth rate of 2.1 percent in the stock of migrants hosted by the region during this period.<sup>3</sup> Asia is home to some of the most important destination and source countries for migrant workers in the world. The significance of Asia as a source region for migration is also indicated by the fact that several Asian countries figure among the leading recipients of remittances in the world.

As in other regions, migration has been a sensitive issue in Asia, evoking periodic changes in immigration regimes and unilateral policy responses in receiving countries. Increasingly, however, the Asian countries like those in other regions have realized the need to move beyond unilateral

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<sup>1</sup> This is the second of two working papers regarding migration flows between South Asia and Southeast Asia. The first working paper discusses the trends and characteristics of this migration corridor while this second working paper builds on the earlier background discussion to focus on the nature of interstate cooperation between countries in these two sub-regions to manage migration.

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<sup>3</sup> United Nations, Department of Economic and Social Affairs, Population Division, "Trends in International Migrant Stock: The 2008 Revision", United Nations database, POP/DB/MIG/Stock/Rev.2008.

responses. Under the auspices of the International Organization for Migration (IOM), other multilateral development agencies, and regional associations, several dialogues and inter-ministerial consultations have been held in the region to discuss the prospects and modalities for inter-country and intraregional cooperation in managing migration flows. The Colombo Process which began in 2003 and the Abu Dhabi Dialogue of 2008 have brought together key source and destination countries in Asia and identified key challenges and policy responses required to effectively manage migration flows in the region. Some of the Asian countries have also been pursuing cross-border cooperation in migration through bilateral labour agreements (BLAs) and Memorandums of Understanding (MoUs). These arrangements address specific issues and concerns associated with the management and impact of bilateral labour flows and are customized to suit host and source country specific migration characteristics and labour market requirements. Some of the recurrent issues that have been addressed in these regional consultations and arrangements, as in other parts of the world, include the tracking and documentation of migrants; screening, recruitment, and return of migrant workers; remittance management and reducing costs of remittance transfers; welfare and protection of migrant workers; training and capacity building; development of source regions; and inter-country institutional coordination between receiving and sending countries.

A more recent development with regard to interstate cooperation in migration has been in the context of economic integration agreements. In recent years, with the establishment of broad ranging economic cooperation and partnership agreements that cover services, investment, and various regulatory and other issues, chapters and provisions specifically focusing on labour mobility have increasingly become a feature of regional and bilateral economic integration arrangements. These create a new avenue for coordinating migration flows and for addressing issues with a bearing on the larger objectives of trade and investment facilitation and economic integration. Hence, migration management has been pursued at various levels and through various administrative and institutional arrangements in Asia.

This paper discusses the nature of migration management in Asia, with specific reference to migration from South Asia, namely, Bangladesh, India, Pakistan and Sri Lanka to selected countries in Southeast Asia. Section 2 following this introduction discusses the consultative processes and regional dialogues that have been held on migration in Asia are discussed. Section 3 discusses various bilateral labour agreements and MoUs concerning labour mobility that have been signed among the selected Asian countries. It highlights the main issues that have been addressed under these arrangements, assesses their strengths and weaknesses, and where possible, provides evidence on their outcomes. Section 4 outlines the labour mobility provisions that are covered under broad ranging regional trade, investment, and economic cooperation agreements that have been signed between some of the selected countries. It highlights the scope and features of these provisions and how they compare with the more narrowly focused bilateral labour agreements and MoUs. Section 5 focuses on the key features of national migration policies and frameworks in the South and Southeast Asian countries and how these have evolved in recent years. Section 6 summarizes the discussion and concludes by underscoring the criticality of intraregional cooperation in managing migration between these two sub-regions of Asia.

## **2. Consultative Approaches to Managing Migration**

In Asia, migration has been mainly managed using national policies and legal frameworks. However, an important development in this region, including the South Asian and Southeast Asian countries, has been the conscious shift from a unilateral, national policy response-based approach to a more coordinated and consultative approach as well as bilateral cooperation mechanisms to manage migration.

There are a growing number of regional consultative dialogues and increased participation by major host and source countries in Asia in international forums concerning cross-country and regional cooperation in migration management. The latter trend reflects the growing recognition among sending and receiving countries of the difficulties in tackling migration unilaterally, the importance of interstate cooperation to address long-term strategic interests and the problem of irregular migration in particular. What makes intaregional cooperation particularly important in Asia is the significance of low and semi-skilled flows within the region, which raises issues of worker rights and protection, remittance management, and return and reintegration, which need a coordinated approach.

There have been several regional consultations and gatherings concerning migration starting in the 1990s.<sup>4</sup> Though non-binding and non-committal in nature, these forums have provided countries with a forum to discuss broader issues surrounding migration as well as specific concerns affecting the region and to learn from the experiences of other regions.

Two of the earliest initiatives were the Manila Process and the Asia Pacific consultations. The Manila process has been a forum for informal dialogue for several countries in East Asia and Oceania. The Asia Pacific consultations which were organized in cooperation with the UNHCR has involved participation by a broader range of countries and has focused on specific areas of regional cooperation in migration. One of its main outcomes was the Bangkok declaration of 1999 on irregular or undocumented migration, following the International Symposium on Migration “Towards Regional Cooperation on Irregular/Undocumented Migration”. This declaration underscored the importance of migration management for tackling irregular migration human trafficking. The Bangkok Declaration called for bilateral, regional, and multilateral consultations and cooperation on international migration and encouraged countries of origin, transit, and destination to enter into regular dialogue to exchange information and to address the problem of illegal migration.

There have been other regional inter-ministerial dialogues on migration in recent years, some under the auspices of multilateral organizations such as the IOM. One of the key regional consultations in this regard has been the Colombo Process held in April 2003 involving ten labour sending countries of South and Southeast Asia, namely, Bangladesh, India, China, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam. The aim of this consultation was to provide a forum for the major Asian labour sending countries to share their experiences, to discuss issues and concerns, and to make recommendations on required policy responses. There was representation from officials

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<sup>4</sup> See Solomon, M.K., ‘International Migration through Inter-State Consultation Mechanisms’, Prepared for United Nations Expert Group on International Migration and Development (July 2005), for a good overview.

responsible for foreign employment in each country or a high level representative and senior officials. Resource persons from the ILO and other organizations also participated in this dialogue.

The Colombo process discussed the nature of migration in the region, including emerging sub-regional and occupational patterns, and also focused on the problem of irregular migration and issues of abuse and exploitation of low skilled and female workers. Participating countries recognized the need to manage migration flows in the region through bilateral and regional consultations and orderly migration policies through cooperation between countries of origin and destination. The dialogue addressed three main themes, namely, protection of migrant workers and services provided to them, optimization of the benefits from organized labour migration, and institutional capacity building and interstate cooperation. The process identified certain policies in these areas. Several resolutions and associated policy recommendations have emerged from this dialogue on each of these themes, including ratification of major international conventions pertaining to migration, providing services such as pre-departure information and orientation to migrant workers, incentivizing remittances through formal channels, preventing illegal migration through host and source country actions, taking assistance from international organizations like the IOM and ILO for capacity building, and developing common regional positions for multilateral negotiations, among other measures.<sup>5</sup>

The participating countries also agreed to have regular follow up consultations with assistance from the IOM. The Colombo meeting has been followed by a second meeting in Manila in September 2004 and a third meeting in Bali in September 2005. At the Bali meeting, Afghanistan joined the group and for the first time, destination countries also attended as observers. The Bali process was an important step forward as it formally agreed to engage in dialogue with destination countries in Europe and Asia. It was also an important event as it focused on the problem of smuggling and trafficking of migrants and also explicitly recognized the term “expatriate and contractual labour” as characterizing labour flows to GCC countries.

More recently, in April 2011, the Fourth Colombo Ministerial Consultation for Asian Labour Sending Countries was hosted by the Government of Bangladesh in Dhaka. This meeting was attended by all the main labour sending countries in South Asia, namely, Bangladesh, India, Nepal, Pakistan and Sri Lanka.

The participating governments focused on the issue of “Migration with Dignity” and all aspects of labour migration which impinge on the rights and welfare of migrant workers. They affirmed the mutual interest of sending and receiving countries in managing the process of migration and the need for sustained bilateral and regional dialogue to make this possible, along with support from relevant international organizations. Key areas for cooperation highlighted in the Dhaka Declaration were: (a) the development of employment and labour market policies and the formulation of rules and regulations which enable legal, humane, and orderly labour migration; (b) the development and streamlining of policy, legal, and institutional mechanisms to eliminate unethical practices concerning migrant workers, reduce migration costs, promote transparency in the recruitment process, and strengthen monitoring and supervision of recruitment practices; and (c) building capacity in home and host countries to promote the welfare of migrant workers through information exchange, investment

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<sup>5</sup> See ‘Labour Migration Ministerial Consultations for Countries of Origin in Asia’, Summary of Statements and Recommendations of the Ministers, Colombo (April 2, 2003).

in skills and training, and regular consultations.<sup>6</sup> Consultations were also held between the European and Colombo Process countries as part of the Asia-EU Dialogue on Labour Migration organized by the IOM. The focus was once again on managed labour migration between Asia and the EU with the objective of facilitating safe and legal labour mobility between the two regions and supporting development in both sending and receiving countries.<sup>7</sup>

The Abu Dhabi Dialogue on Overseas Employment and Contractual Labour for Countries of Origin and Destination in Asia, hosted by the UAE government in January 2008 was another important milestone in regional consultations on labour mobility in Asia. It brought together formally for the first time, both receiving and sending countries, following up on the Bali process resolution and reaffirming the importance of interstate collaboration and the joint responsibility of countries of origin and destination in managing migration flows. The participants in this dialogue included Afghanistan, Bahrain, Bangladesh, China, India, Indonesia, Kuwait, Malaysia, Nepal, Oman, Pakistan, the Philippines, Qatar, Saudi Arabia, Singapore, Sri Lanka, Thailand, United Arab Emirates, Vietnam and Yemen.

One of the main focus areas in this dialogue was the growing temporary and circular labour mobility in Asia and the need to address long term developmental interests in receiving and sending countries through increased collaboration and partnership to manage such flows. The dialogue recognized the importance of facilitating labour mobility at all skill levels to compete globally and boost economic growth and agreed that to achieve the best economic and social outcomes, workers should be provided with good living and working conditions, that recruitment and employment policies and practices should be transparent and in accordance with national laws and regulations of countries of origin and destination, and that remittances should be facilitated. The dialogue also highlighted the need for multilateral cooperation to facilitate and benefit from temporary contractual labour mobility.

Overall, many of the issues that were discussed and many of the resolutions and recommendations arrived at through this consultation were similar to those reached in the Colombo Process. It was decided to launch a new collaborative approach to address temporary labour mobility and specific partnerships were identified for this purpose with the objective of promoting information sharing, enabling capacity building, technical cooperation, and interstate cooperation. These identified partnerships included: (1) building a knowledge base in the region regarding labour market trends, skill profiles, and remittance policies; (2) capacity building to match labour demand and supply in the region; (3) preventing illegal recruitment practices and promoting welfare and protection measures for contractual workers in both origin and destination countries; (4) developing a comprehensive framework to manage temporary contractual mobility for mutual benefit of receiving and sending countries. As is evident, the identified areas for collaboration all relate to the maximization of mutual benefit to host and origin countries, with involvement of all relevant stakeholders. It was also decided to continue this dialogue with further consultations in the region with assistance from the IOM.

Both the Colombo Process and Abu Dhabi Dialogue consultations indicate that there has been a gradual evolution in the approach to migration from unilateral management to regional dialogue among source countries and more recently to regional dialogue among both source and host countries.

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<sup>6</sup> See, Dhaka Declaration (2011).

<sup>7</sup> <http://www.wapes.org/infos/file/attachfiles/pdf/2011-052-EN.pdf>.

Thus, the ambit of cooperation has been gradually widened and the role of a wider range of stakeholders from the government, private sector, and civil society for managing migration effectively is being explicitly recognized in the region. Although these regional consultations are informal and non-binding in nature, they do provide a useful forum to discuss recurrent themes and concerns, such as those of remittance management, welfare and protection, repatriation, and the relationship between migration and development, themes which have also been the focus of bilateral agreements and wider international discussions on migration such as the Global Forum on Migration. They have also facilitated more open discussion on sensitive issues. But perhaps what is a specific characteristic of the regional consultations in Asia is the importance of temporary and low skilled contractual labour mobility within regional labour flows as well as the presence of some of the main destination and source countries for such movement within the region. This in turn makes issues of welfare, worker rights, irregular migration, and long term developmental issues all the more pertinent to any discussions on migration management in Asia, perhaps more so than for other regions given the magnitude of such flows within the region.

### **3. Bilateral Approaches to Managing Migration**

Although countries have been increasingly engaging in regional dialogues and forums on migration, there has been little concrete action resulting from these consultations. There has been relatively more progress at the bilateral level, through the establishment of bilateral labour agreements and MoUs, formal and informal, binding and non-binding. In recent years, many Asian countries have signed bilateral agreements in the form of labour mobility and employment agreements or MoUs with key receiving or sending partner nations in the region. These agreements supplement national migration policies and legislative frameworks as well as the regional consultative mechanisms.

One of the most active countries in this regard is Malaysia, which has signed MoUs with key source countries such as Bangladesh, Indonesia, Pakistan, Sri Lanka, Thailand, and Vietnam to regulate labour flows from these nations; Thailand has signed MoUs with Cambodia, Lao PDR, and Myanmar for intergovernmental cooperation in recruitment of migrant workers; and Korea has entered into MoUs with Indonesia, Mongolia, Philippines, Sri Lanka, Thailand, and Vietnam under its Employment Permit System. These agreements are being used by the receiving countries to address immediate and long term objectives. They are being used to facilitate and regulate labour mobility, keeping in mind political and strategic interests and cultural and historical links with partner countries, and also to address concerns specific to the bilateral relationship. These agreements also seek to augment the role of public employment agencies in the recruitment process and to ensure adherence to international conventions for the protection of migrant workers. Some governments such as Korea, Malaysia, and Thailand are also using these MoUs to address the problem of irregular migration. Important source countries for migrant workers, such as India, have entered into MOUs with major labour receiving countries, including the UAE, Kuwait, Qatar, Oman, and Malaysia, to ensure the protection and welfare of its workers abroad. Other South Asian sending countries such as Sri Lanka and Bangladesh have also entered into MoUs with destination markets in the Gulf and Southeast Asia.

The BLAs and MoUs essentially draw upon the ILO Model Agreement on Temporary and Permanent Migration for Employment, including Migration of Refugees and Displaced Persons (annexed to

Recommendation No. 86 on Migration for Employment (Revised version, 1949). Most countries in the region have attempted to incorporate the broad objectives set out in the ILO Model Agreement including:

- a) Regularization of interstate labour flows,
- b) Exchange of labour market information,
- c) Assistance in the process of recruitment, testing and certification of applicants,
- d) Working out the specifics of the work contract by identifying the sectors of occupation, provisions of quotas, required duration of work and possibilities of renewal,
- e) Protecting the rights and safety of migrants and enforcing fair employment conditions in the destination countries,
- f) Facilitating the process of return for the migrants,
- g) Building provisions to deal with migrants without documents,
- h) Designing social security arrangements for migrants,
- i) Building cordial working relationships between the different state actors, thereby bringing about a co-operation between the labour sending and labour receiving countries in monitoring and enforcing the mutually agreed provisions of the bilateral arrangements.

There has also been customization of the arrangements to address the specific interests and concerns of the labour sending and receiving countries, but the basic framework has by and large been adopted from the ILO Model Agreement. Special administrative schemes have also been introduced to ensure the smooth operation of these agreements with regard to recruitment, testing, certification, and exchange of information between the host and source countries. However, in general, these agreements have suffered from weak monitoring and enforcement mechanisms and have tended to focus more on recruitment and deployment than on welfare and protection issues.

Table 1 provides a representative summary of various bilateral labour agreements and MoUs signed among Asian countries, including the countries under consideration here. It also outlines their main features and provides a comparative perspective on the approach taken by the Southeast Asian countries for managing migration versus that taken by another destination region for South Asian workers, namely the Gulf countries.

**Table 1: Summary of Bilateral Labour Agreements and MoUs in Asia and their Key Characteristics**

Country taking Initiative	Primary Characteristics	Agreements Signed with	Type of Bilateral Agreement		Key Features/Observations
Bangladesh	Labour sending	Malaysia, Gulf Countries	MoU		<ul style="list-style-type: none"> <li>- Promoting recruitment of manpower.</li> <li>- Safety and protection of migrants.</li> </ul>

India	Labour sending	Jordan, Qatar  UAE, Kuwait, Oman, Bahrain, Qatar, Malaysia	MoU	BLA	<ul style="list-style-type: none"> <li>- Facilitation of manpower recruitment.</li> <li>- Institutional framework for strengthening cooperation in the development of Indian workers.</li> <li>- Protection of workers in host country.</li> </ul>
Nepal	Labour sending	Bahrain, Qatar, the UAE, Republic of Korea	MoU		<ul style="list-style-type: none"> <li>- Manpower employment, occupational, training</li> </ul>
Pakistan	Labour sending	United Arab Emirates  South Korea	MoU  'Foreign trainee' programme		<ul style="list-style-type: none"> <li>- Tackle problems of illegal recruitment agencies.</li> <li>- Facilitate recruitment of migrants.</li> </ul>
Sri Lanka	Labour sending	Jordan, United Arab Emirates, the Republic of Korea, Libya  Bahrain, Qatar	MoU	BLA	<ul style="list-style-type: none"> <li>- Manpower recruitment.</li> <li>- Respecting migrant worker rights.</li> <li>- Emphasise welfare and protection requirements of migrant workers.</li> <li>- Guarantee minimum standards of treatment.</li> <li>- Safeguarding against abuse of migrant workers by unauthorized employment agents.</li> </ul>
Indonesia	Labour sending	Malaysia, Korea, Japan, Syria, Qatar, Taiwan, Kuwait, Jordan, UAE	MoU		<ul style="list-style-type: none"> <li>- Handling illegal migration.</li> </ul>
Malaysia	Labour receiving	Bangladesh, China, Indonesia, Pakistan, Sri Lanka, Thailand and Vietnam	MoU		<ul style="list-style-type: none"> <li>- MoU has three basic elements setting out the responsibilities of employers, recruitment agencies, and workers.</li> <li>- Primary focus is to facilitate recruitment from source countries.</li> <li>- Leaves out domestic workers; No minimum standards specified for conditions of work.</li> <li>- Workers subject to national labour laws</li> </ul>



Philippines	Labour sending	Libya, Jordan, Iraq, Kuwait  Taiwan, Indonesia	MoU	Labour, Employment and Manpower Agreement	<ul style="list-style-type: none"> <li>- Enhancement of welfare and protection of Filipino workers in receiving countries.</li> <li>- Special hiring facility with Taiwan without intermediaries.</li> <li>- Indonesia is a labour sending country. MoU designed to protecting the welfare of migrant workers in both countries.</li> </ul>
China	Labour sending	Bahrain, Mauritius, Malaysia		BLA	<ul style="list-style-type: none"> <li>- Limited information available on MoUs.</li> <li>- Ministry of Commerce is the official authority.</li> </ul>
Taiwan	Labour sending	Thailand, Vietnam  Philippines, Mongolia and Indonesia	MoU	BLA	<ul style="list-style-type: none"> <li>- Recruitment, training and safety of migrant workers.</li> <li>- Objective is to set up a nation-nation recruitment scheme that would facilitate the elimination of middlemen in recruitment.</li> <li>- Control the problem of missing workers.</li> </ul>
Korea	Labour receiving	Philippines, Thailand, Vietnam, Indonesia, Mongolia and Sri Lanka	MoU (Employment Permit System)		<ul style="list-style-type: none"> <li>- Addressing the problem of irregular migrant workers.</li> <li>- Promotion and protection of foreign worker welfare and rights.</li> <li>- Quota system of allocation to specific industry.</li> </ul>
Thailand	Labour receiving	Cambodia, Lao PDR, Myanmar	MoU		<ul style="list-style-type: none"> <li>- Protection of worker rights.</li> <li>- Institute proper procedures for worker employment.</li> <li>- Repatriation of workers who have completed their employment.</li> <li>- Avoid illegal border crossings.</li> </ul>

**Source:** Compiled from various sources . [http://india.gov.in/knowindia/overseas\\_indians\\_affairs.php?pg=2](http://india.gov.in/knowindia/overseas_indians_affairs.php?pg=2) (accessed in November 2011); <http://www.ceslam.org/migration-in-nepal/bilateral-agreements> (accessed in November 2011); Kaur (2007), Go (2007), Wickramasekara (2006)

Several interesting and common features are highlighted in Table 1. These agreements are mostly limited to low and semi-skilled workers and do not cover professionals, confirming the recognized importance of temporary contractual labour mobility in the region. The issues addressed are therefore those which are most pertinent to such workers and are also similar to those addressed by the various regional consultations on migration. The main issues that have been addressed include the recruitment

of workers through intergovernmental cooperation, preventing irregular migration, regulating the role of private intermediaries, repatriation of workers, and respect of workers' rights and their protection. The countries which feature most commonly in these agreements are the UAE, Malaysia, Kuwait, and Qatar. It is also interesting to note that in the case of migration to the East and Southeast Asian subregion, the initiative has been taken mainly by the receiving countries of Korea, Malaysia, Thailand, and Taiwan, involving all the main source countries in Southeast and South Asia. On the other hand, in the case of migration to the Gulf countries, the initiative has been taken mainly by the sending countries in South and Southeast Asia.

Although the issues addressed are similar across the different subregions, there are some interesting differences as well. The agreements involving the Gulf countries primarily tend to focus on workers' rights and welfare related issues while those involving East and Southeast Asian host countries also cover issues of recruitment, repatriation, and irregular migration. It is also worth noting that some of these MoUs are two-way in that they focus on orderly migration and respect of workers' rights in both directions, although by and large these arrangements tend to be unidirectional in their focus.

Another interesting feature that emerges is that MoUs are more common than bilateral labour agreements, which indicates the preference of the Asian countries to negotiate MoUs more than formal BLAs. While BLAs are formal, legally binding treaties relating and tend to be more comprehensive in coverage with provisions for countries of origin to have better access to destination country labour markets, MoUs are non-binding with the extent of commitment depending entirely on the countries that sign them and the levels of co-operation they are willing to offer on a mutual basis. The preference for MoUs over BLAs among Asian countries most likely indicates the fact that MoUs are easier to negotiate and relatively more flexible, though they may be relatively less effective than BLAs due to their non-binding nature. BLAs on the other hand, while more rigid and harder to negotiate, are usually more comprehensive in their coverage and have provisions for the countries of origin to have better access to the destination labour markets. The experience with Asian countries suggests that there is greater willingness to cooperate through loose arrangements such as MOUs rather than binding commitments.<sup>8</sup> As seen above, Malaysia, Korea, and Thailand have MoUs with several countries from the South Asian and Southeast Asian region. Singapore, however, has not entered into bilateral agreements on migration.

### 3.1 Case of South and Southeast Asian countries

Bilateral cooperation is highly relevant in the South Asian and Southeast Asian context given the occupational profile and trends in migration between these two regions. The predominance of low and semi-skilled migration (including in informal sector activities) between these two regions makes issues relating to screening, recruitment, capacity building, protection of migrant rights, return and reintegration, remittance management, and migration-development linkages important. Moreover, in light of the growing numbers of high skilled migrants from South Asia to these countries, issues such

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<sup>8</sup> See Go, S.P., "Asian Labor Migration: The Role of Bilateral Labor and Similar Agreements", Paper presented at the Regional Informal Workshop on Labor Migration in Southeast Asia: What Role for Parliaments", Manila, The Philippines (September 2007); Wickramasekara, P., "Labour Migration in Asia: Role of Bilateral Agreements and MoUs", International Labour Organization Power point Presentation at the Japan Institute of Labour Policy and Training Workshop on International Migration and Labour Market in Asia, Tokyo (February 17, 2006).

as visa facilitation, taxes, recognition, and skill shortages are also relevant. Hence, there are clearly areas of common interest where interstate cooperation can be beneficial to both parties and can help to enhance the benefits of regional migration while also allaying some of the associated concerns.

The following discussion provides some illustrative cases of BLAs and MoUs which involve the South and Southeast Asian countries under consideration in this paper. The discussion highlights the approach and underlying philosophy which has guided intergovernmental cooperation in migration management in this subregion. Where information is available, the discussion also highlights the inadequacies of these agreements. The cases discussed are those of (a) Korea and its MoUs with selected Asian countries (including Sri Lanka and Pakistan in South Asia) for hiring of foreign workers under its Employment Permit System; (b) Malaysia and its MoUs with the South Asian countries to regulate recruitment and deployment of low skilled workers; and (c) Thailand's MoUs with its neighbouring countries of Laos, Cambodia, and Myanmar to illustrate the kinds of issues that are of concern to this country.

### *3.1.1 The Republic of Korea's Guest Worker Scheme*

Korea has managed migration from other Asian countries through MoUs with selected countries such as Sri Lanka, Pakistan, Indonesia, Vietnam, and the Philippines, under its Employment Permit System (EPS) for Foreign Workers. As discussed in Chanda (2008), the system uses a strict quantity restriction based approach to regulate the admission of low skilled foreign workers from these sending countries so as to minimize labour market distortions and problems of unauthorized foreign workers. The EPS was introduced in 2003 to both address the growing labour shortages faced by Korean firms and the problem of illegal foreign workers in the country.<sup>9</sup>

The scheme is administered under the Act on Employment of Foreign Workers which regulates the qualifications of businesses allowed to employ foreign workers, procedural issues, employment management, and the protection of foreign workers. The Korean Ministry of Labour concludes MoUs with sending countries, prepares a roster of job seekers, issues employment permits, grants permission to change business or workplace in case of closure of business or delayed wages, inspects workplaces employing foreign workers, and cancels and restricts the employment permits. The practical operational parts of the scheme are administered by the Local Employment Security Centres of the Ministry of Labour. The Ministry of Justice, under the Immigration Control Act is responsible for issuing the Certificate for Confirmation of Visa Issuance, its extension, issuance of the foreigner registration certificate, permission to change status of sojourn, extension of sojourn period, and deportation orders. The local Immigration Officers are in charge of these operational duties. Other agencies are also involved in a designated capacity.

The EPS is not open to all employers. There are government stipulations on the type and scope of businesses that can avail of this scheme. Types of businesses that can bring in foreign workers under the EPS include businesses in the manufacturing, construction, fishery, and service industries where there is a high rate of labour shortage and poor chances of hiring a Korean worker. Where an

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<sup>9</sup> The Scheme aimed at meeting labour demand from small and medium enterprises while protecting foreign workers. This scheme allows foreign workers to stay in the Republic of Korea for three years and to change jobs. This scheme is seen as an integral part of the country's SME development strategy. However, foreign workers are imported only to supplement native workers and as an act of last resort.

employer states more than one industry in the Certificate for Business Registration, he is only permitted to hire the foreign worker in the main industry of his business, as determined by a defined classification system under the Employment Insurance or the Industrial Accident Compensation Insurance as well as factors such as wages and numbers required.

Admission of foreign workers is based on quotas, which are determined by the supply and demand conditions in individual industries so as to limit any adverse effects on the domestic labour market and on the prospects for employment by Korean workers and to prevent dominance by foreign workers in any particular industry. Thus, the quota is specified industry by industry and the number of foreign workers to be allowed in each industry is determined based on the number of Korean employees under the coverage of the Employment insurance as well as the performance of various sending states. The quotas are determined by the Foreign Workforce Policy Committee established by the government. The assigned quota is then allocated across selected countries with which the government enters into MoUs. The number of job seekers to be allocated to each country is determined on the basis of a yearly assessment by the Ministry of Labour of the sending country's performance in terms of the numbers sent by that country in the past, the voluntary return rates, and the rate of illegal immigration from that country. These MoUs are meant to curb illegalities in the sending process. They are subject to regular assessment and can be renewed.

Coordination with sending country governments is an important feature of the EPS. The government of the sending country selects candidates, a multiple of the number allotted under the quota to the country, based on objective criteria such as work experience and the score on the Korean Language Proficiency test. Following the stipulated period of 3-7 days for attempting to recruit a Korean worker and failure to do so, the employer can apply for an employment permit and the Employment Security Centre. The Centre then recommends foreigners that suit the recruitment conditions, based on the information received from the sending country governments. An employment permit is issued when the employer selects from among the recommended foreign workers. There is a standard labour contract which has to be signed between the employer and the foreign worker. This contract clearly states working conditions such as wages, working hours, holidays, and workplace conditions. The employer next applies for a Certificate for Confirmation of Visa Issuance which is then issued by the Ministry of Justice. The employer is required to send this certificate to the sending country based on which the foreign worker is issued an E-9 visa from the Korean mission overseas. Employers may authorize agencies such as the Human Resource Development Service of Korea and other non-profit organizations designated by the Ministry of Labour with the process of signing the labour contract, the entry and departure arrangement, and the application for the Certificate of Confirmation of Visa Issuance. All foreign workers entering the Republic of Korea under this visa are required to receive job training within 15 days of entry.

The maximum duration of employment is three years from the worker's entry into the Republic of Korea. A worker who has left Korea after employment, must spend at least six months back in his country before he can be re-hired. There are incentives for good performance in the form of name hiring by employers and easier re-entry conditions for good workers, facilitating circular migration for those who abide by the terms of the contract. Fines are imposed on employers who violate the standard labour contract. The Ministry of Labour reserves the right to cancel the employment permit for foreign workers in order to protect workers' rights and interests and to ensure effective employment management, if so required.

In order to ensure the smooth functioning of the program and efficient employment management, the Ministry of Labour carries out various functions in addition to their aforementioned role in the entry and return process. These include providing education to foreign workers and their employers, cooperating with public organizations in sending countries and with civic groups concerned with foreign workers, providing advisory services, promoting projects to help foreign workers adapt themselves to their lives in Korea, and any other important matters. Some of the expenses associated with the implementation of projects organized by groups that support foreign workers, such as medical care and cultural events, are met by the government. To ensure compliance with the terms and conditions on employment, safety, and health, an annual inspection is conducted of the business or workplace where there are foreign workers and violations are dealt with in accordance with related legislation either by the Ministry of Labour or by concerned departments, where so warranted. Non-profit organizations are involved in some aspects of the EPS, specifically the administration of the Korean Language Proficiency test, employment training, and consultation services. The agency is designated by the Ministry of Labour. There are also mechanisms to track the employment of foreign workers during their period of stay. Any change in the employment of the foreign worker or any break out of contagious disease must be reported by the employer to the Ministry of Labour.

To guarantee foreign workers with a retirement allowance and possibilities of overdue wages, the employer is required to buy the Departure Guarantee Insurance and the Guarantee Insurance. A foreign worker is entitled to getting the departure guarantee insurance money if they have worked continuously with the same employer for one year or more. Foreign workers are required to buy the Return Cost Insurance and the Casualty Insurance to meet the expense of returning to their home country and for cases of accident or disease unrelated to work.

Overall, the EPS which is implemented based on MoUs signed by Korea with major sending countries involves considerable interministerial coordination within the country and across countries. It is backed by clear institutional mechanisms for legal enforcement, a mix of incentives and disincentives for employers and migrant workers, and clearly defined scope in terms of categories of workers, sectors, and occupations. It is difficult to say how well the program has worked to stem illegal migration and to address the local labour market needs. However, it remains an arrangement that is framed mainly from the receiving country's perspective with little bearing on source country benefits and developmental concerns.

### *3.1.2 MoUs between South and Southeast Asian countries on labour mobility*

To facilitate the recruitment and selection of migrant workers, Malaysia has signed MoUs with many labour sending countries such as Bangladesh, Indonesia, China, Pakistan, Sri Lanka, Thailand and Vietnam. The MoUs with all these countries comprise three essential elements that include the responsibility of the employers in Malaysia, the responsibility of the government or the licensed recruitment agencies in source countries and the responsibility of its workers who are about to

migrate. These three components serve as a guiding framework for all the stakeholders involved in the process of monitoring the inflow of migrant workers into the country.<sup>10</sup>

The MoUs allow the employers to engage in direct recruitment through the Ministry of Labour of the source country. The employers are primarily responsible for obtaining the required approval for the applicants, bearing the costs involved in transporting them from their source country, preparing a comprehensive employment contract stating the terms and conditions, and providing accommodation and basic facilities in accordance with national employment acts. The licensed recruitment agencies in the sending countries are required to facilitate this process by providing and arranging for all the required documentation and information about the migrant to the country of destination and through pre-departure training. The prospective migrants have to co-operate with the employers and recruitment agencies to provide all necessary documentation and to abide by the laws and regulations of the country of destination.

(i) *Malaysia-India MoU*

The broad principle guiding this MoU signed in 2008 has been bilateral cooperation for the protection and welfare of workers, clarity on procedures for recruitment and conformity of recruitment and employment terms and conditions with laws of both countries, and establishment of a joint working group to ensure implementation of the MoUs with regular meetings and exchange of information to address bilateral labour problems.

The MoU focuses on improving the conditions of recruitment and employment of Indian workers in Malaysia. One of its main objectives is to curb the unscrupulous activities of intermediaries who exploit poor workers and to improve the working and living conditions of these workers. Hence, the agreement sets out the procedures for employment of workers and delineates the responsibilities of workers, employees, and recruitment agencies. The MoU refers to intergovernmental cooperation on pre-departure orientation, skill upgradation and training in addition to the usual issues of recruitment and welfare. The Joint Working Group under this MoU is expected to help implement the agreement and to review employment opportunities and skill availability in both countries in addition to exploring new areas for cooperation in manpower development.<sup>11</sup> The agreement also includes a social security deal to help Indian workers and professionals employed overseas.

(ii) *Malaysia-Sri Lanka MoU*

In 2003, Sri Lanka and Malaysia entered into a special pact to permit more low and semi skilled Sri Lankan workers find employment in Malaysia. This pact followed a MoU signed between the two countries earlier that year which upgraded Sri Lanka's status as a supplier of labour to Malaysia. The MoU allows Sri Lanka to offer skilled and unskilled labour to Malaysia under the General Worker category, which covers most service and industrial jobs, excluding professional services. (Malaysia has signed a similar MoU with other countries, including Vietnam, Thailand, China, and Pakistan).

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<sup>10</sup> See Dairiam, G., "Case Study: Malaysia", Prepared for the Workshop on International Migration and Labour Markets in Asia, Japan Institute of Labour, Tokyo (February 2006), for a case study on Malaysia's BLAs and MoUs.

<sup>11</sup> Dattagupta, I., "Improving working conditions for Indian workers in Malaysia", The Economic Times, 10 Jul 2008, <http://economictimes.indiatimes.com/features/the-global-indian-takeover/Improving-working-conditions-for-Indian-workers-in-Malaysia/articleshow/3215855.cms>

The Sri Lankan government has agreed to introduce and initiate special training and visa facilities (including on religious and cultural aspects) for Sri Lankans applying for jobs in Malaysia. A list of selected recruitment agencies has also been compiled, with preference to those having training facilities. In turn, the Malaysian government has agreed to introduce immigration processes for Sri Lankan workers once these source country conditions are in place and to monitor health and other facilities locally. The Malaysian government has also agreed to station an immigration official at its High Commission in Sri Lanka to monitor departures.<sup>12</sup>

(iii) *Other MoUs*<sup>13</sup>

There are several other MoUs between the concerned subregions of South and Southeast Asia, most of them involving Malaysia. However, there is very limited substantive information available about their functioning or content. The limited information that is available suggests that for the most part these MoUs tend to be broadly defined and without defined administrative or institutional mechanisms to support their implementation. Some appear to have remained non-operational for several years, often undermined by changes in recruitment policies in the host country, and re-initiated many years later. Host country interests and policy changes rather than sending country interests appear to have been the determining factor in the initiation and implementation of these MoUs.

Bangladesh and Malaysia signed a MoU in 2003 resuming manpower exports from Bangladesh to Malaysia, following suspension of such flows since 1997 on account of huge inflows of undocumented workers due to unscrupulous manpower recruiting agents. This MoU, however, remained unoperational and discussions were resumed in 2006 between the Malaysian Human Resources Ministry and the Bangladesh Ministry for Expatriate Welfare and Overseas Employment. Under this arrangement, the Malaysian government agreed to resume recruitment of Bangladeshi workers and appointed six Malaysian companies to recruit Bangladeshi workers through selected recruiting agents in Bangladesh. The main objective of this arrangement was to check fraudulent practices of recruiting agents. The Bangladesh Association for International Recruiting Agencies put out an advisory to inform prospective workers not to pay more than US \$1,200 to any recruiting agencies.<sup>14</sup>

Pakistan and Malaysia signed a MoU to facilitate the employment of semi-skilled and unskilled Pakistani workers in Malaysia. This MoU came after a more than decade long ban on recruitment of Pakistani workers in that country and was seen as benefiting around 200,000 Pakistani workers. One of the key issues which Pakistan agreed to address was to enforce merit and discipline in its manpower exports. Physical, medical, and security clearance requirements also have to be met under this MoU. Malaysia on its part assured the protection of workers' rights and good working conditions

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<sup>12</sup> Labour of Love, available at <http://www.lankabusinessonline.com/fullstory.php?nid=1550402898>, Lanka Business Online, accessed on Sept 14, 2010.

<sup>13</sup> There is scanty information about agreements that have been signed between recruitment agencies in host and source countries in these regions. For instance, a Memorandum of Agreement was signed between the Indian Personnel Export Promotion Council and the Foreign Maids Employment Agencies Association of Singapore for a total of 75,000 maids. No further details could be obtained on this agreement. However, it suggests that attempts have been made to manage migration at the agency level as well.

<sup>14</sup> Asia Pulse News, August 15, 2006.

for Pakistani workers. In addition, the two countries also discussed the exports of trained manpower, including doctors and software engineers from Pakistan to Malaysia.<sup>15</sup>

Pakistan also signed a MoU with South Korea in 2006 to export manpower under the Korean Employment Permit Scheme. Under this MoU, Korea agreed to include Pakistan in its list of source countries for importing manpower and to increase the quota for Pakistani workers. Pakistan would send its workers to work in manufacturing, construction, agriculture, services, and other sectors where Korea is in need of workers. Earlier Korea had been importing Pakistani manpower under its Industrial Training and Work Permit Programmes.

### *3.1.3 Thailand's MoUs in the Greater Mekong Region*<sup>16</sup>

Although Thailand does not have any MoUs or bilateral labour agreements with any of the South Asian countries, its MoUs with other Asian countries are important to examine as they illustrate the key concerns that Thailand has tried to address through such arrangements and the limitations in this approach. The Government of Thailand has entered into MoUs on Cooperation in the Employment of Workers with Lao PDR, Cambodia, and Myanmar, the basis for which was laid down by the Bangkok Declaration. These MoUs aim to provide a systematic approach to managing the flow of migrant workers between these countries through mutual cooperation on administrative procedures for recruitment, protection, repatriation, and prevention of illegal border crossing and employment of migrant workers.

The MoUs specify consultative and institutional mechanisms. These include regular Senior Officials Meetings on a reciprocal and regular basis between the parties, meetings at technical and informal levels to agree on specific issues and joint actions, and establishment of procedures to integrate irregular migrants. The administrative procedures specified include those for sending and admitting workers, including exchange of information on job opportunities, required qualifications, working conditions and wages, and eligibility conditions for migrant workers. The MoUs also specify the administrative requirements in terms of visa, work permit, health insurance, taxes, and employment contract. There is also a thrust on promoting rotational migration through a variety of measures such as incentivizing voluntary return by migrant workers by easing re-entry conditions in the host country, providing portability of retirement benefits, and compulsory deductions from monthly wages towards a savings fund available to the migrant on return (and forfeiture in case of failure to do so).

There is a strong thrust on the regularization of irregular migrant workers from these countries residing in Thailand. The governments on both sides have agreed to jointly engage in this regularization process by providing workers who have passed a nationality verification process, with an identity certificate or a temporary passport. The countries have also agreed to coordinate the

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<sup>15</sup> See, Pakistan, Malaysia sign Labour MoU, available at [http://www.dailytimes.com.pk/default.asp?page=story\\_21-10-2003\\_pg7\\_30](http://www.dailytimes.com.pk/default.asp?page=story_21-10-2003_pg7_30), Daily Times, accessed Sept 14, 2010 and Over 20,000 to get job in Malaysia, available at <http://www.pakdef.info/forum/showthread.php?4669-Over-200-000-to-get-job-in-Malaysia>, accessed Sept 14, 2010.

<sup>16</sup> Much of the discussion in this section is based on Vasuprasat, P., 'Inter-State Cooperation on Labour Migration: Lessons Learned from MoUs between Thailand and Neighbouring Countries', Working Paper No.16, International Labour Organization (ILO) Asian Regional Programme on Governance of Labour Migration, Regional Office for Asian and the Pacific (July 2008).



processing of travel documents and approval of resident and work permits and to coordinate actions against illegal employment.

The evidence on the implementation of these MoUs suggests that progress has been rather limited. A very low share of migrant workers from Lao PDR and Cambodia have obtained their travel documents under the MoUs. Many workers have later become irregular migrants due to the restrictive and complex conditions specified in the travel documents. High recruitment fees, long processing time for travel documents, and poor legal enforcement have made it all the more difficult to curb irregular migration. The nationality verification has not been possible to establish with the Myanmar government due to ethnic conflicts in that country and differences in views between the two governments on the legalization process. The statistics for demand and supply of workers further suggest that a large part of the demand by Thai employers has remained unmet, and there is evidence that they have turned to irregular migrants to meet their needs. Overall, these MoUs have not been effective in controlling the inflow of irregular migrant workers or better account for them.

Institutional limitations in both receiving and sending countries have impeded successful implementation of the MoUs which have partly contributed to the difficulty in meeting the Thai employers' demand for migrant workers under these agreements. On the host country side, these limitations relate to the lack of experience in recruitment management, inadequate dissemination of information on employment opportunities abroad and on the recruitment process, lack of local level presence by the recruitment agencies to identify and screen prospective migrant workers, absence of a legitimate placement agency in the host country to assist employers in the placement process, and inadequate capacity of government agencies to provide support. On the origin country side, the main institutional limitations have been the inability to effectively integrate returning workers and difficulties in maintaining a database of workers recruited under the MoU and ensuring their return at the end of the contract due to inadequate human and financial resources to maintain such a database and the fact that they may need to maintain more than one such information base for different MoU host country counterparts.

These institutional limitations are further compounded by administrative drawbacks such as the failure to adequately streamline the processing and issuance of documents in host and source countries, restrictive regulations in some sending countries which prevent recruitment in sectors such as domestic work, and high costs of recruitment for both prospective workers and employers. For example, a migrant in Lao PDR has to undergo several interviews at various levels for identity verification and at the host country it may take a long time for documents to be processed at different levels, resulting in a 3-5 month long recruitment process before the migrant can travel abroad. Despite regular consultative meetings among the countries, the cost, time, and requirements involved remain onerous for migrant workers and employers. Failure to address such procedural issues either forces migrant workers to become indebted and bound to their employers or causes workers and employers to resort to the irregular migration route, in turn undermining the MoUs.

Several concerns have also been voiced about these MoUs. One of these is the insufficient attention to enhancing the welfare of migrant workers. A significant number of migrant workers have ended their contracts and returned home early or changed to new jobs, often unofficially due to a lack of information about actual terms and conditions of work and facilities, false promises of high wages by

private brokers and recruitment agents, lack of awareness and literacy among the migrant workers, violation of contract terms by employers, seizure of travel and identity documents by employer, and absence of mechanisms by which the workers can lodge their grievances. Legislations in host and sending countries have also not covered the rights and welfare of workers in sectors such as agriculture, fishing, and domestic service.

Another point of concern has been the forced savings requirement which is seen as violating the provisions of the Thai Labour Protection Act of 1998. There has also been concern about double income tax on migrant earnings, with payments deducted by the employer in the host country and payments to the sending country government following the migrant's return.

Cooperation on issues of skill development, protection of rights, and occupational health and safety has also been weak. Pre-departure training and integration orientation have not been systematically provided in the sending and receiving countries, respectively. Enforcement of migrant workers' rights has been poor with violation of working conditions in sectors such as textiles, fisheries, and food processing. Migrant worker rights also continue to be violated on grounds of national security, with the seizure of travel documents and bans on gatherings and social networking. Interestingly, public perception in Thailand also reflects a lack of awareness about the need to protect the rights of migrant workers and their contribution to the Thai economy, indicating that the MoUs have not done much to change the mindset about migration in the host economy.

In sum, the experience with the Thai MoUs with neighbouring countries in the subregion suggests that the focus has been on short-term measures to tackle a long standing problem of illegal immigration. Attention has not been paid to the links between migration and development and to the mutual benefits from migration. There has also been a failure to develop adequate institutional frameworks and introduce greater administrative flexibility and procedural efficiency to support the implementation of the MoUs.

### 3.2 Lessons from the Asian experience

The representative sample of MoUs and BLAs presented in Table 1 and the preceding discussion of selected interstate migration arrangements in Asia reflect some common patterns. While each country has clearly had its own agenda in mind and there is some customization to country-specific needs, preventing irregular migration and enhancing the welfare of migrant workers overseas have been two of the main objectives on the part of receiving and sending countries, respectively. Another key objective has been cooperation and facilitation of the recruitment process and ensuring safe repatriation on completion of contract.

Certain common concerns and limitations are also evident from these bilateral arrangements. One of the main drawbacks is the absence of adequate institutional and legal mechanisms to ensure implementation. Structurally, there are problems with these arrangements as they tend to be driven by the interests of the host rather than the sending countries, with more emphasis on drafting comprehensive recruitment procedures and regulating migrant workers rather than on protecting their rights and improving their welfare. Non-specification of the minimum standards of employment in the destination countries, failure to cover certain categories of workers, lack of gender sensitivity, and

absence of redressal mechanisms are other common problems under these MoUs and BLAs. Thus, these cases provide some useful lessons about what is required for effective migration management.<sup>17</sup>

First and foremost, a broad perspective needs to be taken on migration, which goes beyond looking at one-sided interests and specific concerns to looking at mutual win-win outcomes and a longer term perspective that links migration with developmental concerns and national strategies. Such an approach would imply emphasis on skill development, training, and facilitation of opportunities in source regions of the labour sending countries through trade and investment.

Second, the agreements should not put undue administrative burden and strain capacity particularly in labour sending countries. Moreover, in the case of sending countries with MoUs or BLAs with several countries, there should be an attempt to rationalize the requirements across these agreements to limit the institutional burden. Capacity building in sending countries at various levels is essential.

Third, complex, costly, time consuming, and rigid processes need to be avoided if these agreements are to incentivize migration through legal channels. Sufficient thought should be given to streamlining administrative procedures and requirements and reducing the costs of recruitment for migrant workers.

Fourth, for circular migration to be effectively managed, there need to be supplementary measures in the sending countries which ensure proper reintegration of the returning workers in their home countries. Moreover, to ensure temporariness and return migration, jobs need to be well specified in duration and host countries must promote access to the formal labour market and also use a mix of incentives and penalties need to be used to reward well performing workers by easing reentry and punishing those who violate terms and conditions, respectively.

Fifth, to ensure the protection of the rights of migrant workers, there needs to be proper enforcement of national labour laws in both receiving and sending countries and both the judicial and labour ministries need to extend these rights.

Finally, coordination needs to be strengthened between concerned government agencies in the labour sending and receiving countries and the wider role of other stakeholders including workers' and employers' organizations also need to be taken into account for collecting and disseminating information, drafting of employment contracts, and extending protection to migrant workers.

#### **4. Labour Mobility under RTAs between South and Southeast Asia**

As more and more Asian countries move towards comprehensive regional integration agreements, labour mobility has come to feature as one of the issues addressed under some of these arrangements, although this trend is relatively nascent and tentative compared to the cooperation witnessed under MoUs and BLAs. Several trade and investment agreements include provisions for facilitating and

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<sup>17</sup> See, Chanda, R., 'Low-Skilled Workers and Bilateral, Regional and Unilateral Initiatives: Lessons for the GATS Mode 4 Negotiations and other Agreements', United Nations Development Programme Bureau for Development Policy, Poverty Group and Trade and Human Development Unit, Geneva(April 2008), for a detailed discussion on the best practices in migration management.

managing labour mobility. Some of the most important ones include the Asia-Pacific Economic Cooperation grouping, ASEAN, the India-Singapore Comprehensive Economic Cooperation Agreement, the India-Korea Comprehensive Economic Partnership Agreement, Japan's FTAs with Thailand, Indonesia, Singapore, and the Philippines, and China's FTAs with ASEAN and Singapore. One of the main objectives of these agreements has been to liberalize the regional labour market by opening up selected sectors or occupations and to help member countries dampen the effects of country-specific shocks and alleviate labour market shortages. Table 2 highlights the nature of labour mobility provisions in some selected integration agreements among Asian countries, some involving South and Southeast Asian countries.

**Table 2: Labour Mobility Provisions in Selected Asian RTAs**

Agreement/Scheme	Country/Region Covered	Type	Labour Mobility Provisions	Coverage
APEC Business Travel Card Programme	Australia, Brunei, Chile, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, PNG, Peru, the Philippines, Singapore, Chinese Taipei, Thailand and Vietnam;  US and Canada (transitional members)		<ul style="list-style-type: none"> <li>- Facilitates the entry of business visitors to the region from the participating economies in APEC.</li> <li>- Valid for three years and permits multiple short-term business visits for two or three months each.</li> </ul>	High skilled.
Japan-Philippines Free Trade Agreement	Japan and Philippines	BTA	<ul style="list-style-type: none"> <li>- About 400 to 500 Philippine nurses and caregivers will be allowed to work in Japan annually on condition that they pass Japanese qualifying exams</li> </ul>	Semi-Skilled.
Japan-Thailand Free Trade Agreement	Japan and Thailand	FTA	<ul style="list-style-type: none"> <li>- Japan will accept Thai nurses and caregivers with the condition that Thai caregivers will be required to obtain</li> </ul>	Semi-Skilled.

			Japanese qualifications.	
Japan- Indonesia Economic Partnership Agreement	Japan and Philippines	EPA	<ul style="list-style-type: none"> <li>- Japan will accept 400 nurses and 600 care workers subject to meeting some conditions regarding graduation from high education institutions and completion of vocational training.</li> <li>- The government will issue special visas for up to three-years to Indonesian nurses and four-year visas to care workers.</li> </ul>	Semi-skilled.
India-Singapore Comprehensive Economic Co-operation Agreement	India and Singapore	CECA	<ul style="list-style-type: none"> <li>- Easing of visa restrictions for a list of 127 professionals, covering a variety of sectors.</li> <li>- Short term service suppliers, intra-corporate transferees, and business visitors</li> </ul>	High-skilled
India-Korea Comprehensive Economic Partnership Agreement	India and Republic of Korea	CEPA	<ul style="list-style-type: none"> <li>- Temporary movement of professional workers such as computer programmers and engineers etc.</li> </ul>	High skilled
Japan-Singapore Free Trade Agreement	Japan and Singapore	FTA	<ul style="list-style-type: none"> <li>- Chapter on Movement of Business Persons covering four major categories of business persons – business visitors, intra-corporate transferees, engineers and investors</li> </ul>	High skilled
China-Singapore Free	China and	FTA	<ul style="list-style-type: none"> <li>- Facilitates temporary entry of business</li> </ul>	High skilled

Trade Agreement	Singapore		persons for three categories – business visitors, intra-corporate transferees and contractual service suppliers	
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**Source:** Miscellaneous sources including, [http://www.fta.gov.sg/ceca/ceca\\_india\\_infokit.pdf](http://www.fta.gov.sg/ceca/ceca_india_infokit.pdf); <http://commerce.nic.in/trade/INDIA%20KOREA%20CEPA%202009.pdf>;

[http://www.apec.org/~link.aspx?\\_id=9E3E68AE3A0D4631B8381E66C4E893CF&\\_z=z](http://www.apec.org/~link.aspx?_id=9E3E68AE3A0D4631B8381E66C4E893CF&_z=z)

Senate Economic Planning Office (2007) [http://www.senate.gov.ph/publications/PB%202007-01%20-%20Japan-hilippines%20Economic%20Partnership%20Agreement%20\(JPEPA\),%20An%20assessment.pdf](http://www.senate.gov.ph/publications/PB%202007-01%20-%20Japan-hilippines%20Economic%20Partnership%20Agreement%20(JPEPA),%20An%20assessment.pdf)

<http://insaps.org/page.php?id=Mjkk> ; <http://www.mofa.go.jp/region/asia-paci/singapore/jsepa.html>

<http://www.internationallawoffice.com/newsletters/detail.aspx?g=c92c1947-b6c0-4347-944d-3c88f53c506e>

The representative set of RTAs and their labour mobility provisions given in Table 2 for the most part, they focus solely on highly skilled workers, such as business visitors, intracorporate transferees, and professionals in selected areas. These agreements mostly cover categories that are closely related to investment flows or where there are labour shortages which can be met by one of the partner countries. Hence, the scope of these RTAs in terms of skill and occupational categories is very limited. The approach to labour mobility is mainly as a complement to goods and capital market integration and to facilitate trade and investment flows among partner countries, a perspective that is not present in the MoUs and BLAs discussed earlier whose focus is on managing low and semi skilled migration, mostly of seasonal and contractual workers, and tackling irregular migration. Thus, the RTA provisions on labour mobility complement the BLAs and MoUs in terms of occupational and skill coverage.

There is also a close resemblance between these RTA provisions on labour mobility and the GATS framework on movement of natural persons. The chapters on movement of natural persons and the commitments made on labour mobility under these RTAs mirror the structure and architecture of commitments on mode 4 under the GATS. Countries have mostly made horizontal and not sector-specific commitments, limited to the aforementioned categories under these RTAs. The agreements also contain articles on mutual recognition and domestic regulation, very similar in scope and content as those under the GATS. These articles are meant to serve as the basis for discussions on issues of qualification, licensing, and standards which are pertinent to the movement of skilled and professional service providers covered by the RTAs.

The following discussion highlights the features of the only two integration agreements involving South Asian and Southeast countries which cover labour mobility, namely the India-Singapore CECA and the India-Korea CEPA. Both are similar in their approach and objectives.

#### 4.1 India-Singapore CECA and labour mobility

The India-Singapore CECA is an important agreement as it sets a benchmark for cooperation on services, investment issues, and labour mobility. The agreement came into force in August 2005 and

is the first comprehensive trade agreement that India signed with any trade partner. It has also undergone one review as per schedule.<sup>18</sup>

Under the CECA, both countries have committed to go beyond their WTO commitments and to provide access to each other's service suppliers without recourse to quantitative restrictions on the number of suppliers. Furthermore, national treatment has also been provided to each other's service suppliers. The CECA has eased visa restrictions for professionals in 127 occupations (e.g., IT, medicine, engineering, nursing, accountancy, and university lecturers) by allowing them to apply for a visa period of up to one year. Short term service suppliers who provide a specific service are allowed to stay upto 3 months with possible extension of another 3 months. The aim of these provisions is to facilitate the movement of business visitors and professionals between the two countries. Another regulatory issue that has been addressed is that of wage parity. Under the CECA, there is a provision whereby the salaries of Indian professionals will be calculated by including allowances paid in India and Singapore to the basic pay in order to meet the benchmark criterion of equivalent wages, which would facilitate the entry of Indian professionals into Singapore. Earlier, failure to demonstrate equivalence of salary with professionals based in Singapore had led to denial of visas.

Another important step under the CECA is the provision to conclude Mutual Recognition Agreements between India and Singapore for selected categories of professionals. The five initial sectors where these MRAs are to be concluded include accounting and auditing, architecture, medicine, dentistry, and nursing. Under these MRAs, educational and professional qualifications and licensing criteria are to be mutually assessed and recognized by authorities of both countries, thus enabling professionals from each country to practice in the other. Professional bodies such as the Institute of Chartered Accountants of India or the Medical Council of India are expected to work out the details for achieving mutual recognition.

India is also pushing for the recognition of qualifications of capable professionals from second-grade Indian institutions, in reciprocity for the concessions made by India in the goods sector. Its objective is to leverage its advantage as a source of English speaking qualified workers for export to Singapore. However, this issue still remains to be addressed.

However, progress on MRAs has been slow, mainly because the CECA does not set a deadline for concluding the MRAs and does not deem failure or delay in this regard as a breach of obligations under the agreement. Professional bodies have also not been very pro-active about MRA negotiations.

#### 4.2 India-Korea CEPA and labour mobility

Although Korea is not one of the countries under consideration in this paper, the provisions concerning the movement of natural persons (MNP) under the India-Korea CEPA are worth

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<sup>18</sup> See, India- Singapore Comprehensive Economic Cooperation Agreement, available at [http://www.fta.gov.sg/ceca/ceca\\_india\\_infokit.pdf](http://www.fta.gov.sg/ceca/ceca_india_infokit.pdf), accessed in September 2010.

discussing. The India-Korea CEPA contains a separate chapter on MNP.<sup>19</sup> The agreement covers the categories of business visitors, intracorporate transfers, independent professionals, and contractual service suppliers, in line with India's interests in the WTO negotiations on MNP. Some noteworthy provisions under this agreement include access by contractual service suppliers and independent professionals in the Korean market for upto one year, admission for 2 years for ICTs without any numerical quotas or labour market tests, stay of upto 3 months for business visitors, and work permit and authorization for dependants of professionals, contractual service suppliers, and ICTs. The two countries have also identified a list of 163 professions, mostly involving IT professionals, engineers across a range of sectors (construction, automobile, marine, telecommunications, etc.), consultants in various fields, and English language teachers who would qualify for easier entry into each other's markets. The agreement also calls for regulatory transparency and regular exchange of information and establishment of enquiry points regarding MNP related policies and establishes dispute settlement procedures.

While it is too early to assess the outcome of this CEPA, it is clear that this agreement benchmarks against the earlier India-Singapore CECA in terms of its approach and objectives. Both these agreements highlight a growing trend towards managing skilled migration under such integration arrangements on the part of countries like India which seek to leverage their strength in exporting skilled manpower.

## **5. Unilateral approaches in Southeast and South Asia**

Although consultative and bilateral mechanisms are being used to manage migration, the primary means of regulating migration in Asia still continues to be national migration policies and frameworks. Several Asian destination countries have developed elaborate immigration systems to deal with migrant workers. The measures used have included visa controls, work permit systems, foreign worker levies on employers in the host country, and the aim has been to keep workers on a temporary basis and repatriate them during downturns. Low and semi skilled migrants have been admitted in selected sectors and occupations so as to protect local workers. By and large, these policies have tended to be short-term and needs-based in approach, with host countries introducing and removing visa restrictions and bans on migrant workers from time to time depending on economic conditions, domestic labour market considerations, and security concerns.

In recent years, many host countries in Southeast and East Asia, including Japan, Korea, Malaysia, Singapore, Taiwan, and Thailand have moved towards a structural approach to migration in order to address long term labour market requirements. Singapore has introduced a policy specifically for foreign workers using an industry-specific quota system and levies on employers who hire less skilled foreign workers. The focus of immigration policy has mainly been to allow migrant workers to sustain economic growth but at the same time to limit dependence on unskilled migrants given the social and employment related concerns associated with such migration. As highlighted earlier, Korea has introduced a formal employment permit scheme to replace its industrial trainee program. Malaysia

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<sup>19</sup> See, India-Korea CEPA, available at <http://commerce.nic.in/trade/INDIA%20KOREA%20CEPA%202009.pdf>, accessed in November 2010.



and Thailand have also moved towards formal policy and legislative frameworks for managing migration, although they continue to face a large body of undocumented migrant workers. Their governments have tried to cover more foreign workers officially through amnesties and periodic crackdowns on irregular migrants. Many of the labour receiving countries in Asia have also become more open to inflows of professional and highly skilled foreign workers in a bid to attract global talent and to consciously reduce dependency on low skilled migrant workers and shift their economies towards knowledge-intensive activities.

Table 3 provides an overview of the legal frameworks and mechanisms used to manage migration in Southeast and East Asian countries. It shows clearly that the primary means of managing migration in this region has been through unilateral policies, including work and residence permit related policies, quotas, and selective facilitation of entry for preferred categories of foreign workers (typically those associated with investments or those meeting particular labour market needs).<sup>20</sup>

**Table 3: Legal framework of migration policies in East Asia**

	Temporary permit for residence and working	Acceptance of permanent migrants directly from abroad	Positive list	Labour market testing	Quota or maximum rate	Intra-corporate transfer	Investment promotion with persons	Change from student to worker after graduating	Trainee ship	Bilateral agreement
Japan	°		°			°		°	°	
Korea	°		°	°		°		X	°	°
China	°						°			
Hong Kong, China	°	[]	°		[]	°		X		°
Chinese Taipei	°				[]		°	X		
Singapore	°	[]	°		°		°	X	°	
Malaysia	°		°		°		°	X		°
Thailand	°		°				°	X		
Indonesia	°		°		°		°	X		
Philippines	°		°				°	X		°
Vietnam	°		°				°	X		

**Source:** Y. Iguchi and Sho Ku (2004), Table 5, p.81 (Based on national laws and regulations).

Note: °: existent, X: non-existent, [] : special scheme, No marking: no information

### 5.1 Host country policies to regulate migration in Southeast Asia

There are differences in the immigration policies and approaches among the concerned destination countries of Singapore, Malaysia, Thailand, and Korea. While Malaysia and Thailand have entered into many bilateral agreements to regulate cross border migration into their countries, Singapore has not and has instead relied more on market forces. While Singapore's immigration policies have been integrated with its national development strategy in that they provide incentives for highly skilled

professionals and involve a system of migrant levies on low skilled workers, Thailand's policies for low skilled migrants have tended to be ad hoc, thus necessitating periodic regularization and repatriation drives to curb the inflow of undocumented migrants. Malaysia lies between these two countries, shifting its policies in line periodically with market demands and in recent years moving closer to Singapore's approach. Broadly, immigration policies and legal frameworks in these countries have addressed three kinds of migration flows: skilled, unskilled and semi-skilled (including female), and undocumented labour flows. The following discussion provides an overview of the policy frameworks adopted in each of these countries to manage migration flows.

### *5.1.1 Singapore*

Rapid economic growth and consequent labour shortages led to the growth of a large migrant workforce in Singapore. The Singapore government permitted the recruitment of migrant workers from a range of countries including India, Bangladesh, Sri Lanka, and Indonesia starting in the late 1970s. Over time, with the country's growing dependence on foreign workers, the government implemented a comprehensive migrant worker policy and levy scheme in the late 1980s, in order to regulate the size and composition of its migrant workforce.

Singapore has used three instruments to prevent illegal migration and to regulate the entry of migrant labour. These include a work permit system which categorized workers by their skill level, race, and gender and was adjusted (using quotas and dependency ceilings) in line with labour market demand; a foreign levy scheme to reduce dependence on unskilled labour by imposing higher levies for unskilled workers and employers with more than 40 percent unskilled workers; and internal enforcement measures using legal deterrents, effective immigration controls, stringent enforcement, and periodic amnesty and repatriation schemes. Singapore's immigration and border control regulations have been adapted in response to changing labour market requirements.

One of the main characteristics of Singapore's migration policies is the graded approach to migrant workers. Singapore has a multi-layered system of work permits and employment passes for different categories of workers based on skills and income levels, providing more flexible and generous terms and conditions for skilled workers and imposing many restrictions on less skilled workers in order to reduce its dependence on unskilled migrant workers. For instance, less skilled migrant workers are required to post security bonds to ensure their repatriation on expiry of their contracts. They also face more restrictions on their personal freedoms and residence status. In contrast, skilled workers on employment passes are granted access to subsidized health care, education, and housing and are also eligible to apply for citizenship. In recent years, however, the government has taken some steps to prevent exploitation of less skilled workers, in particular, domestic workers who work outside the formal labour market and tend to be outside the purview of labour market regulations. The Singaporean government has for example, stipulated a ceiling on fees charged by employment agencies from low skilled workers. It has introduced an accreditation process for agencies involved in the recruitment, transport, training, and placement of domestic workers and discontinued licenses for non-accredited agencies. It has also taken steps to penalize employers who abuse their domestic workers and established assistance mechanisms for them and has introduced new legislative measures and a new standard contract to improve working conditions for such workers.

### 5.1.2 *Malaysia*

The country's immigration policies and labour recruitment strategies have mostly been based on its bilateral agreements with source countries, as discussed earlier. The Malaysian government has, however, oscillated a lot in its approach to managing migration, ranging from signing bilateral agreements with key source countries and introducing programmes to regularize foreign workers, to imposing bans on recruitment of foreign workers, cracking down on illegal foreign workers and deporting them, and subsequently relaxing such restrictions. The government has experimented with various mechanisms, including the setting up of a Special Task Force on Foreign Labour and regularization drives, introduction of an employment and location specific work permit system to categorize foreign workers more rigidly, and enacting legislation for the establishment of legal recruitment agencies for foreign contract labour.

In recent years, however, the government has shifted to an approach similar to that followed by Singapore. It too has instituted a foreign worker levy system in order to reduce its dependence on less skilled migrant workers, introduced a graded work permit system to encourage skilled as opposed to less skilled foreign workers, and strengthened internal enforcement measures to regulate migration. Under the work permit system, foreign workers are recruited abroad and issued with calling visas for admission into Malaysia. These visas are then converted into work permits or visit passes for temporary employment. There are two types of employment-related work permits or visas, a work pass or employment pass for expatriates or professionals and a work permit or contract worker pass or visit pass for temporary employment of semi-skilled and unskilled workers such as in the manufacturing, construction, plantation, services, and domestic work sectors. A variety of restrictions apply for the less skilled migrant workers, including requirements to post security bonds and bank guarantees as well as requirements on employers regarding employment terms and conditions and adherence to standard employment contracts. As in the case of Singapore, the Malaysian government has in recent years introduced measures to protect domestic workers as they fall under the jurisdiction of their employers and are thus more prone to abuse than other migrant workers. But on the whole, Malaysia's migration management policies and frameworks have been subject to much criticism due to problems of implementation, poor coordination and conflicting policies across different government departments, and lack of consistency.

## 5.2 Source country policies to regulate migration

There is considerable variation in migration management policies and frameworks across source countries in South Asia. By and large these countries have not had comprehensive or integrated policies on migration or elaborate institutional mechanisms to manage migration. Their approach has tended to more *laissez faire* in nature, with private intermediaries playing an important role and rendering the migration process subject to problems of rent seeking, abuse, and violations, as also highlighted earlier.

Table 4 provides a summary of the measures taken by India, Pakistan, Sri Lanka, and Bangladesh to regulate their labour exports and also to provide security for their overseas workers. The table also provides the measures taken by the Philippines, which is perhaps the most pro-active sending country in this regard, in order to provide a comparative perspective. Although the information is not very recent and there have been subsequent changes in migration policies, the table illustrates clearly that

the level of intervention has varied across the South Asian countries, in line with their individual concerns and priorities as well as their varying institutional capacities to oversee migration.

**Table 4: Measures taken by South Asian countries and the Philippines to regulate labour outflows**

Item	Bangladesh	India	Pakistan	Sri Lanka	Philippines
Recruitment and Replacement	X	X	X		X
Emigration clearance to leave the country	X	X	X		X
Ban/restriction on direct hiring		X	X		X
Minimum standards for work contracts	X	X	X	X	X
Licensing/regulation of work contracts	X	X	X	X	X
Security bond requirement	X	X	X	X	X
Ban/limit on recruitment fee charged to worker	X	X	X	X	X
Contribution to welfare fund			X		X
Restriction on passport issue					X
Regulation of job advertising	X		X	X	
Trade test requirement	X				
Restriction on selected occupations	X				X
No objection certificate requirement	X		X		
Compulsory service in the country before departure	X				X
Ban on female domestic workers	X		X		
Specification of transport carrier			X		
Periodic inspection recruitment establishment	X		X		X
Pre-departure briefing			X	X	X
Restriction on country of employment					
Renewal of contract clearance			X		X

**Source:** Kaur (2007), Table 2. <http://intersections.anu.edu.au/issue15/kaur.htm>

(Based on M. Abella, "Overseas employment administration: a review of policies and procedures", in R. Owen, *Migrant Workers in the Gulf*, Report No. 68, London: Minority Rights Group, 1985, and Malsiri Dias, 'Overview of mechanisms of migration,' in *The Trade in Domestic Workers. Causes, Mechanisms and Consequences of International Migration*, ed. Noeleen Heyzer, Geertje Lycklama a Nijeholt & Nedra Weerakoon, Kuala Lumpur: APDC, 1994, p. 137)

Although migration has not historically been a focus area for the South Asian governments, in recent years, the latter have become more proactive about managing migration. They have been coordinating with host country governments and major employers to address issues of deployment, capacity building, welfare of migrant workers overseas, remittances, and repatriation. Some have also established separate ministries and cells to oversee these issues.

Sri Lanka has perhaps been the most pro-active among the South Asian countries in managing labour outflows. The Foreign Employment Policy in Sri Lanka, like the overseas employment programme in the Philippines, aims at promoting employment opportunities for the country's workers. There is also a specific strategy to address the needs of domestic female workers, given the large number of female migrant workers from the country. The Sri Lanka Bureau of Foreign Employment, under the Ministry of Employment and Labour, is the nodal agency responsible for administering overseas employment related programmes, supported by other government institutions (Ministry of Foreign Affairs, Ministry of Women Affairs, and the Ministry of Vocational Training). The various government agencies regulate the recruitment process through registration and control measures on foreign employment agencies, and the registration of migrant workers and their monitoring at the point of departure. Model contracts have been introduced to curb exploitation and malpractice. Pre-departure orientation and training are also provided to workers in general and also specifically to housemaids. The welfare of overseas workers is ensured through overseas labour attaches posted in host countries. There is a welfare fund financed through an employer levy and the funds are used to provide welfare services to the migrant workers. There are also financial support measures such as provision of loans to meet departure expenses. Remittance transfer through formal channels is encouraged by permitting migrant workers to operate foreign currency accounts called Non-resident Foreign Currency Account. Reintegration is also supported through loan schemes for migrant workers wanting to invest in self-employment activities and through a family development programme that helps families to invest their savings in self employment activities.

Although India has not had an integrated migration policy, it has recently introduced several institutional mechanisms to address migration issues. For example, the Indian government has set up a separate Ministry of Overseas Indian Affairs as well as an Overseas Workers Resource Centre to provide information and assistance to emigrants about employment opportunities and risks involved in irregular migration. The government plans to expand the centre's role to that of a one-stop shop for emigrants. A Council for Promotion of Overseas Employment has also been set up to identify employment opportunities in the global labour market, to disseminate information, and conduct research. A compulsory insurance system, the Pravasi Bharatiya Bima Yojana, has been introduced for overseas Indian workers since 2003 and a welfare fund has also been established to cover boarding and lodging for distressed overseas Indians engaged in domestic and other low skilled work. The focus areas for these initiatives include pre-departure orientation, controlling and monitoring the licensing of recruitment agents and intermediaries, protecting migrants' rights overseas (through the Protector-General of Emigrants at the MoIA), maximizing remittances, and aiding reintegration of migrants on their return. The Indian government has also been negotiating bilateral agreements on the transfer of social security contributions.

Pakistan and Bangladesh have similarly entered into bilateral agreements with key host nations to manage migration and also established institutions and enacted national legislation to oversee emigration. The Bangladesh government has set up a separate ministry to deal with overseas contract

workers and with the diaspora community. It has also introduced an Overseas Employment Policy and legislation on emigration. Pakistan's Bureau of Emigration and Overseas Employment aims to promote overseas employment and orderly conditions of employment and return for its workers and to ensure their welfare and security.

Notwithstanding the setting up of institutional mechanisms and coordination efforts with important host countries, there remain certain limitations in the migration frameworks of the South Asian countries. One major problem is the continued lack of proper and effective implementation of migration policies in South Asia, also evident from the earlier discussion on problems arising from unregulated private intermediaries and exploitative practices faced by South Asian workers. National migration policies in this region are also undermined by the absence of an overall regional migration framework given the fact that policies in one country have a bearing on migration into and out of the other countries in the region and the many common concerns that countries in this region are trying to address in the context of migration.

## **6. Conclusion**

Given the scale of cross border migration in Asia and the presence of some of the most important source and host countries for migration within Asia, the potential gains from the management of regional labour mobility are significant. As discussed in this paper, the countries of South and Southeast Asia have been increasingly moving from ad hoc unilateral approaches to managing migration flows towards bilateral instruments and more recently towards regional instruments, though national migration policies remain the most important. The country experiences also indicate that entry into bilateral agreements and MoUs on migration alone is not sufficient. It needs to be supported by the establishment of country level institutional mechanisms, coordination with occupational bodies and private sector associations to gauge labour market needs, and strengthened administrative capacity in order to manage migration effectively. Such steps are increasingly being taken, albeit to different degrees, by governments in South and Southeast Asia with reforms in labour recruitment, deployment, repatriation, and governance processes.

The country examples also reveal a dual approach to managing migration depending on the skill and occupational profile of migration. While the movement of skilled and professional workers is increasingly being addressed through economic integration arrangements, the migration of low and semi-skilled workers is being pursued through bilateral labour agreements and MoUs. The issues and concerns associated with these different categories of workers obviously differ, the focus being on protection, deployment, and repatriation related issues in the case of less skilled workers and on recognition, social security contributions, and visa facilitation related issues in the case of skilled workers. The former are generally covered under bilateral labour specific arrangements while the latter tend to be covered under broader economic cooperation arrangements. On the whole, the approach of the Southeast Asian countries has been largely market-driven, putting less emphasis on rights and welfare concerns and mainly working on the premise of a guest worker rotation policy in the case of less skilled workers while encouraging entry and stay of highly skilled workers.

Going forward, regional cooperation in migration can play an important role given Asia's growing economic and political significance as an engine of growth for the world economy. In this context, one can expect faster progress with regard to the mobility of high skilled and professional workers between South and Southeast Asia. The growing number of economic integration agreements spanning services and investment issues between countries in these two sub-regions are likely to address the liberalization of skilled labour mobility, as a complement to trade and investment flows among these countries. However, progress on low skilled labour mobility is likely to remain slow under such integration arrangements as well as under the WTO negotiations on mode 4. Hence, it may be useful for the countries in Southeast and South Asia to adopt the best practices from bilateral agreements signed by countries in other regions, such as between Canada and Mexico, Spain and Ecuador to regulate the movement of less skilled workers. Overall, agreements on labour mobility, both for skilled and unskilled workers, need to be pursued at the sub-regional and bilateral levels among the countries of South and Southeast Asia as there could be large spinoff benefits in terms of stronger political, social, economic, and cultural relations.

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