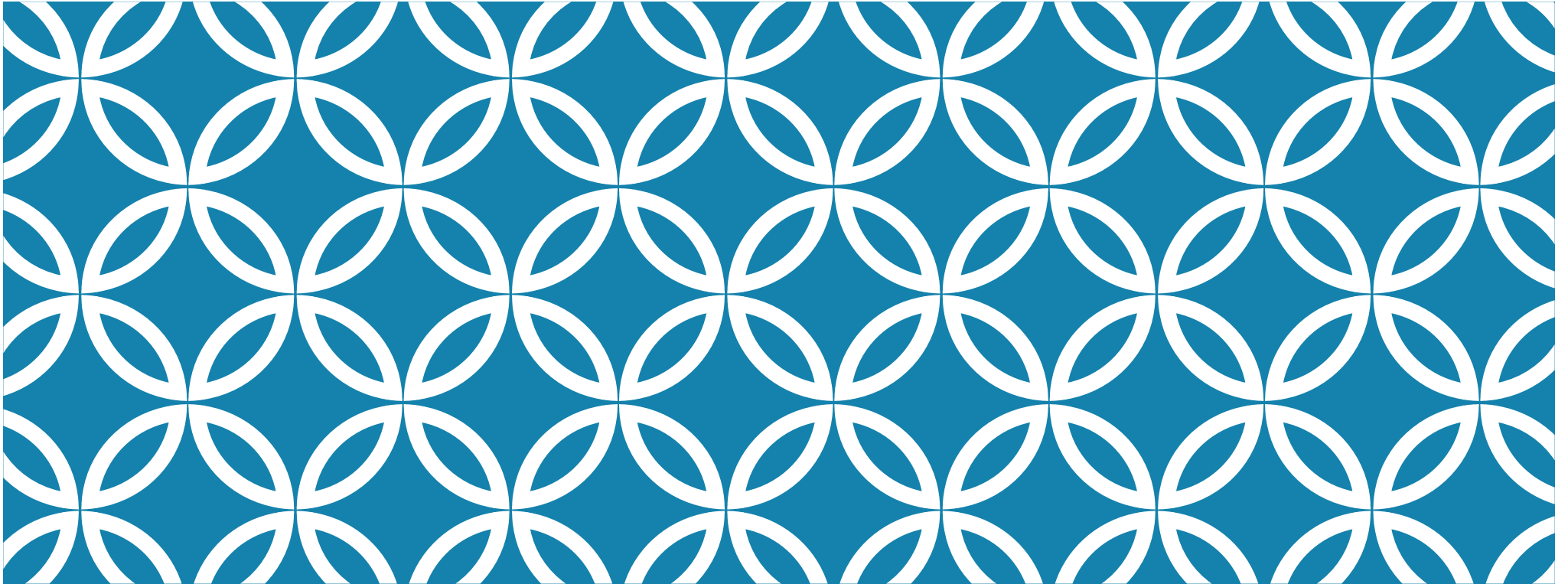




# ASEAN INTEGRATION IN THE GLOBAL CONTEXT

# THE ASEAN ECONOMIC COMMUNITY

- i. A single market and production base
- ii. A highly competitive economic region
- iii. A region of equitable economic development
- iv. A region fully integrated into the global economy

# THE LABOR MARKET

- ❖ Labor supply, skills, wages and productivity
- ❖ Employment trends
- ❖ Social protection

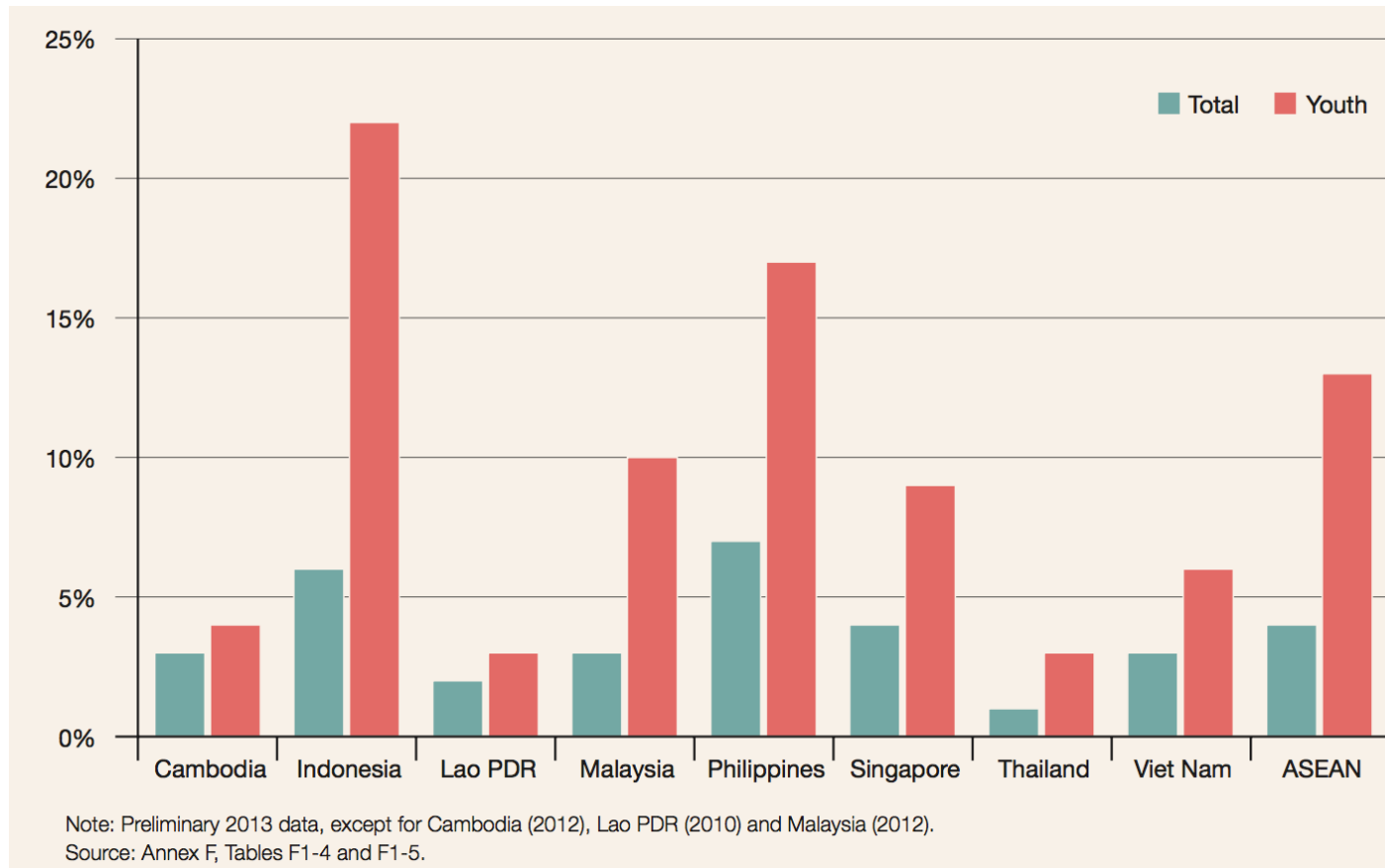
# SELECTED LABOR MARKET INDICATORS IN ASEAN, MOST RECENT YEAR

|                   | Labour force<br>(000s) <sup>(a)</sup> | Education and skills development <sup>(b)</sup> |                                                                                |                                                   | Average<br>monthly wage<br>(\$) <sup>(c)</sup> | Labour<br>productivity<br>(constant 2005<br>international \$) <sup>(d)</sup> |
|-------------------|---------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------|
|                   |                                       | Literacy rate,<br>ages 15+<br>(per cent)        | TVET<br>enrolment as<br>share of total<br>secondary<br>enrolment<br>(per cent) | Tertiary gross<br>enrolment<br>rate<br>(per cent) |                                                |                                                                              |
| Brunei Darussalam | 186                                   | 95.4                                            | 11.4                                                                           | 24.3                                              | ...                                            | 100 015                                                                      |
| Cambodia          | 7 400                                 | 73.9                                            | 2.3                                                                            | 15.8                                              | 121                                            | 3 989                                                                        |
| Indonesia         | 118 193                               | 92.8                                            | 18.0                                                                           | 27.2                                              | 174                                            | 9 848                                                                        |
| Lao PDR           | 3 080                                 | 72.7                                            | 0.8                                                                            | 16.7                                              | 119                                            | 5 396                                                                        |
| Malaysia          | 13 785                                | 93.1                                            | 6.8                                                                            | 36.0                                              | 609                                            | 35 751                                                                       |
| Myanmar           | 30 121                                | 92.7                                            | ...                                                                            | 13.8                                              | ...                                            | 2 828                                                                        |
| Philippines       | 41 022                                | 95.4                                            | ...                                                                            | 28.2                                              | 206                                            | 10 026                                                                       |
| Singapore         | 3 444                                 | 95.9                                            | 11.6                                                                           | ...                                               | 3 547                                          | 98 072                                                                       |
| Thailand          | 39 398                                | 93.5                                            | 15.4                                                                           | 51.4                                              | 357                                            | 14 754                                                                       |
| Viet Nam          | 53 246                                | 93.4                                            | ...                                                                            | 24.6                                              | 181                                            | 5 440                                                                        |

Note: "... " = data not available. 2013 labour force data, except for Brunei Darussalam (2011), Cambodia (2012) and Lao PDR (2010).

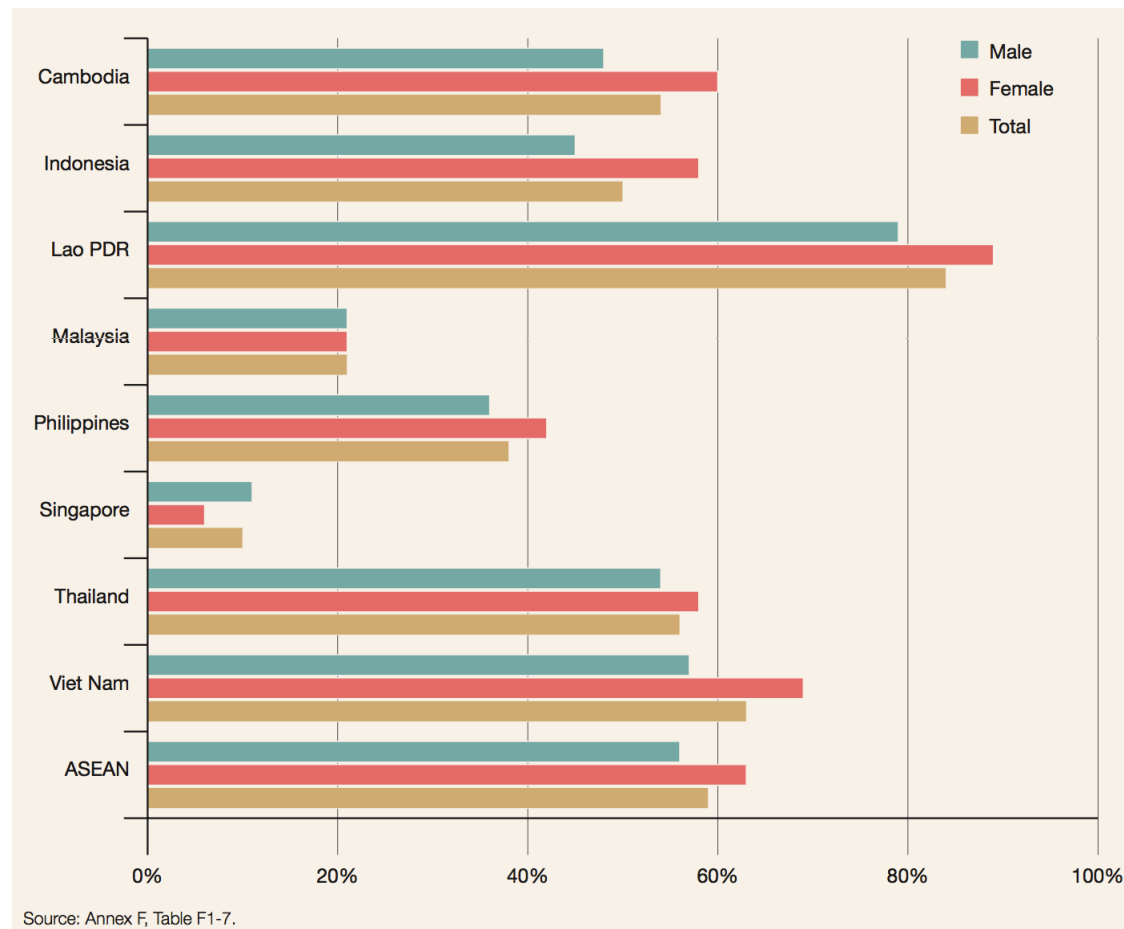
Source: (a) Official national sources; ILO estimates; (b) Chapter 4, Table 4-1; (c) Annex F, Table F1-8; (d) Annex F, Table F2-4.

# UNEMPLOYMENT RATE, TOTAL AND YOUTH, MOST RECENT YEAR (PER CENT)

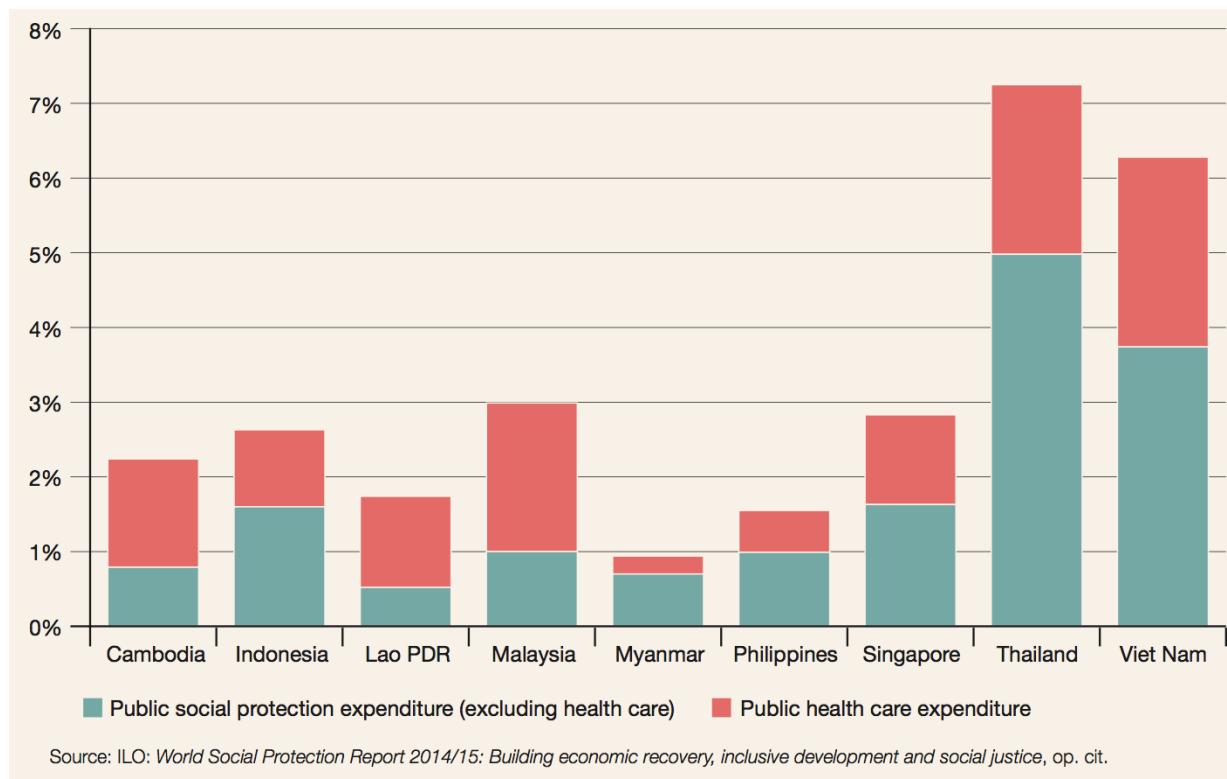


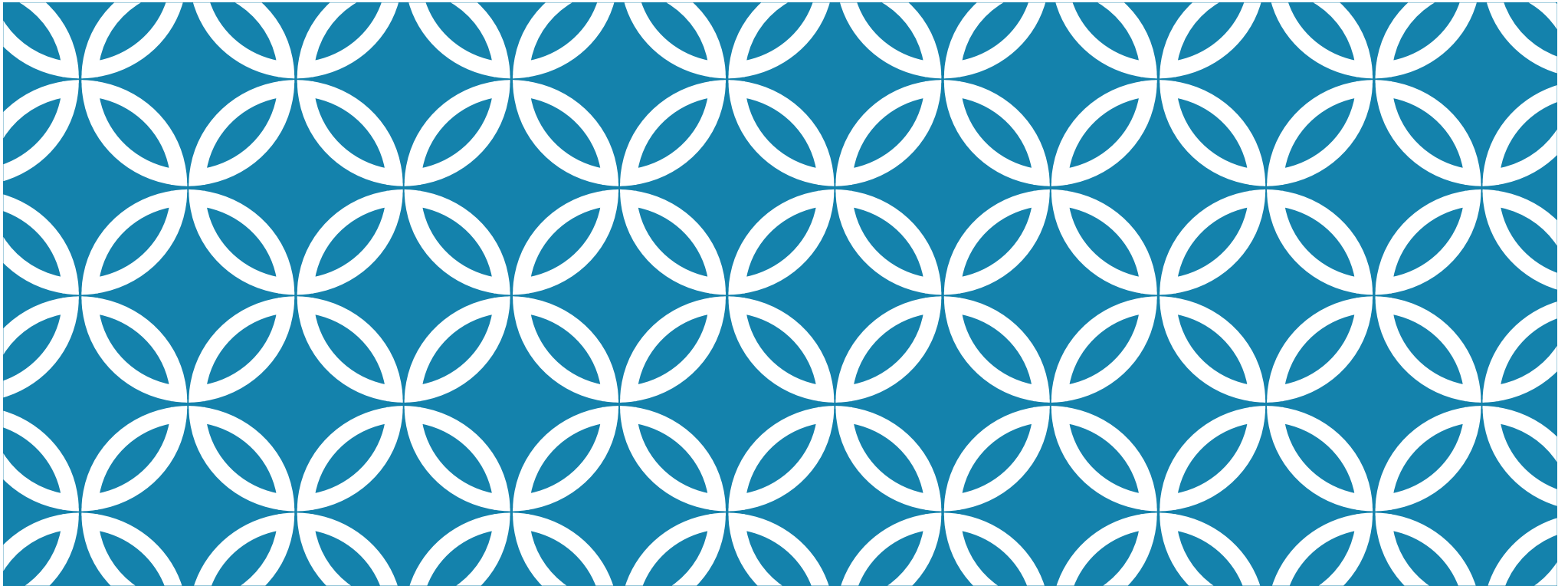
## VULNERABLE EMPLOYMENT AS A SHARE OF TOTAL EMPLOYMENT BY SEX, 2013 OR MOST RECENT YEAR (PER CENT)

Vulnerable employment in ASEAN may be explained by difficulties in transitioning from informal to formal employment



# PUBLIC SOCIAL SECURITY EXPENDITURE, MOST RECENT YEAR (PER CENT OF GDP)





# REAPING THE BENEFITS OF LABOUR MOBILITY

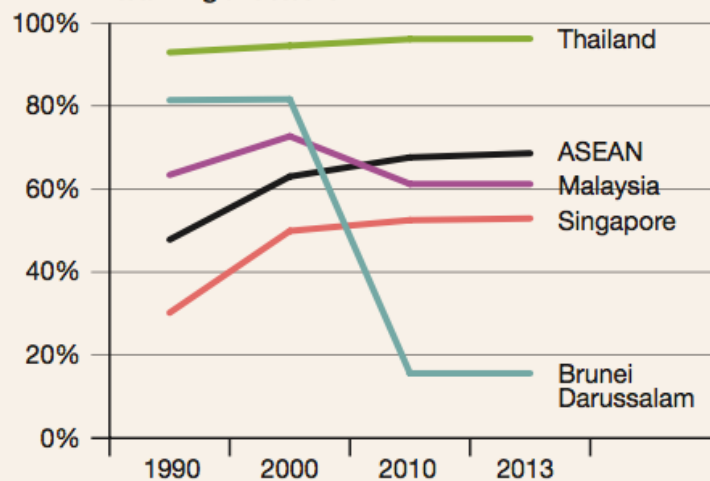
ASEAN Community 2015:  
Managing integration for better  
jobs and shared prosperity  
Bangkok, Thailand: ILO and ADB,  
2014

- 
- ❖ The ASEAN Economic Community envisages measures to facilitate the mobility of high-skilled workers, most of the region's migrant workers are low skilled and many are undocumented
  - ❖ If ASEAN member states are to reap the benefits of labor mobility they will need to manage all types of migration more effectively and provide sufficient protection for all migrant workers

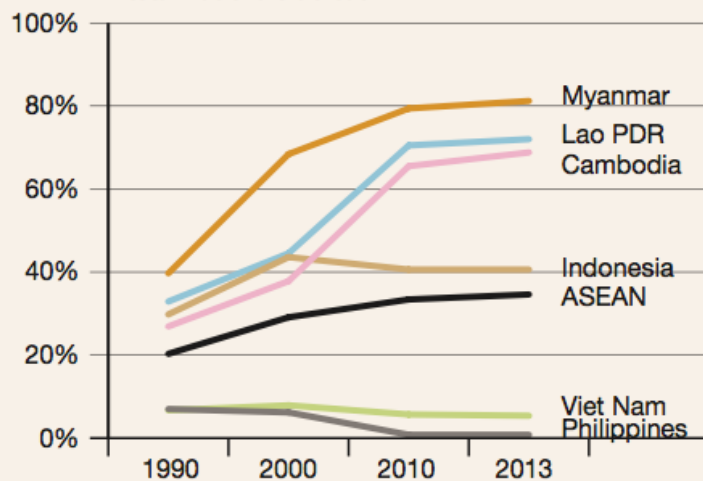
# INTRA-ASEAN MIGRATION SHARE, 1990-2013 (PER CENT OF TOTAL)

Figure 6-1 Intra-ASEAN migration shares, 1990-2013 (per cent of total)

Panel A: Intra-ASEAN share of Member States' total migrant stocks



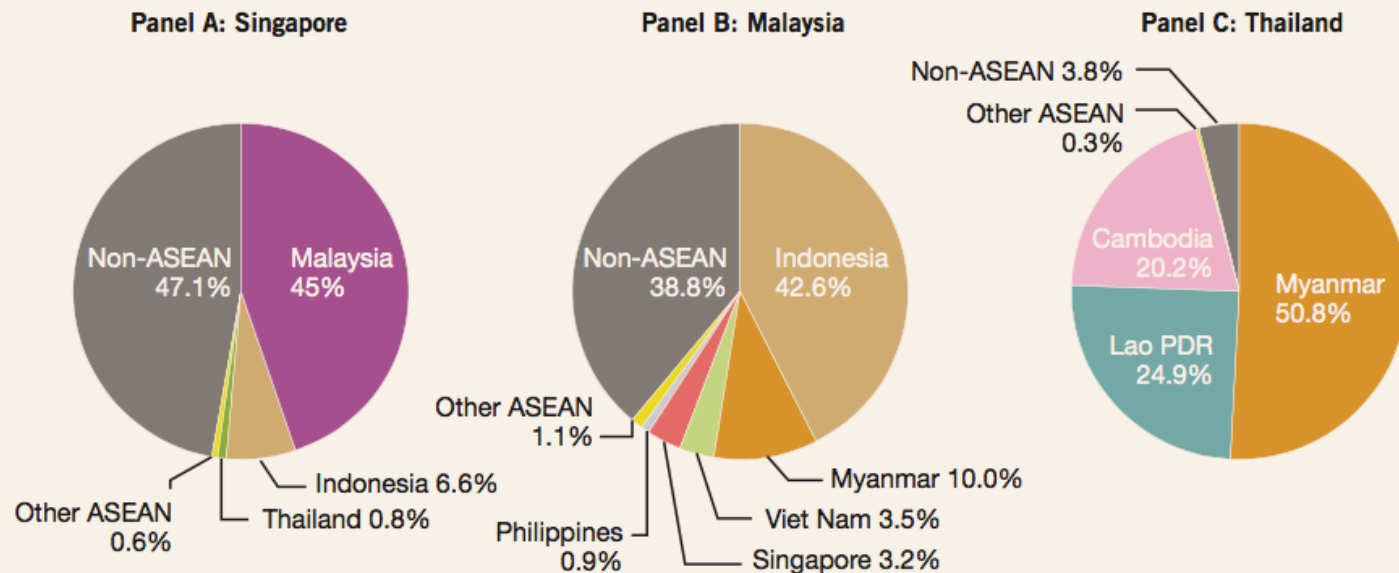
Panel B: Intra-ASEAN share of Member States' total nationals abroad



Note: Data on ASEAN give the aggregated shares for the region as a whole.  
Source: UN: Trends in International Migrant Stock: The 2013 Revision Database.

# ORIGINS OF INTERNATIONAL MIGRANT STOCK IN SINGAPORE, MALAYSIA AND THAILAND, 2013

Figure 6-2 Origins of international migrant stock in Singapore, Malaysia and Thailand, 2013



Source: UN: Trends in International Migrant Stock: The 2013 Revision Database.

# MIGRANT POPULATION AND EMPLOYED MIGRANTS, MOST RECENT YEAR

|                   | Year | Migrant population |           |           | Employed migrants |           |         | Nationals abroad |           |           |
|-------------------|------|--------------------|-----------|-----------|-------------------|-----------|---------|------------------|-----------|-----------|
|                   |      | Total              | Male      | Female    | Total             | Male      | Female  | Total            | Male      | Female    |
| Brunei Darussalam | 2012 | 113 300            | ...       | ...       | 87 110            | 69 570    | 17 540  | ...              | ...       | ...       |
| Cambodia          | 2012 | 68 434             | 27 207    | 41 227    | 50 176            | 22 433    | 27 743  | 133 269          | 60 541    | 72 728    |
| Indonesia         | 2010 | 73 217             | 45 353    | 27 864    | ...               | ...       | ...     | ...              | ...       | ...       |
| Lao PDR           | 2005 | 13 577             | 7 046     | 6 531     | 20 942            | ...       | ...     | ...              | ...       | ...       |
| Malaysia          | 2012 | 2 342 200          | 1 421 700 | 920 400   | 1 727 000         | 1 245 100 | 481 900 | ...              | ...       | ...       |
| Myanmar           | 2010 | 72 363             | 36 553    | 35 810    | ...               | ...       | ...     | ...              | ...       | ...       |
| Philippines       | 2010 | 177 365            | 100 602   | 76 763    | ...               | ...       | ...     | 2 109 000        | 1 098 000 | 1 011 000 |
| Singapore         | 2012 | 1 494 200          | ...       | ...       | 1 268 300         | ...       | ...     | 200 000          | ...       | ...       |
| Thailand          | 2010 | 2 702 164          | 1 494 095 | 1 208 069 | 1 145 159         | 675 644   | 469 515 | 1 039 032        | ...       | ...       |
| Viet Nam          | 2009 | 10 044             | 6 293     | 3 751     | 3 620             | 2 389     | 1 232   | ...              | ...       | ...       |

Note: Migrant population includes ages 0 and above; employed migrants include ages 15 and above. "... " = data not available.

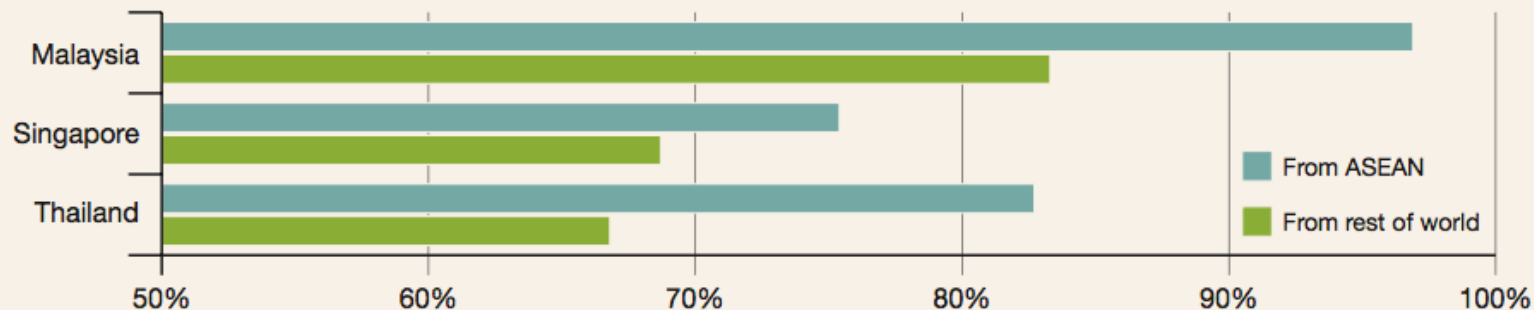
Source: Preliminary estimates based on ILO: Statistical Inquiry on Labour Migration Statistics in the ASEAN Member States, Mar. 2014.

## INTRA-ASEAN SHARE OF OUTFLOW OF INTERNATIONAL MIGRANT WORKERS, 2006-12 (PER CENT OF TOTAL)



## ESTIMATED SHARE OF THOSE WITH LOWER THAN TERTIARY EDUCATION AMONG THE STOCK OF MIGRANT WORKERS IN MALAYSIA, SINGAPORE, AND THAILAND, 2007 (PER CENT)

**Figure 6-4 Estimated share of those with lower than tertiary education among the stock of migrant workers in Malaysia, Singapore, and Thailand, 2007 (per cent)**

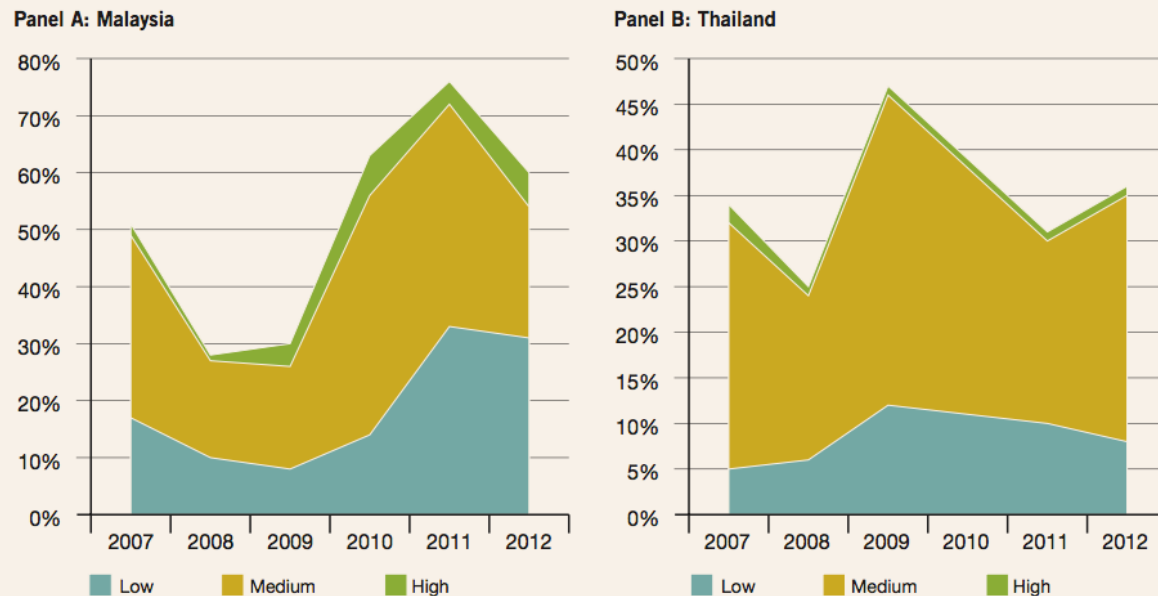


Note: The figures given for ASEAN include migrants from Timor-Leste, due to data limitations.

Source: A.C. Orbeta: *Enhancing labour mobility in ASEAN: Focus on lower-skilled workers*, Philippine Institute of Development Studies Discussion Paper Series No. 2013-17 (Makati City, Philippine Institute of Development Studies, 2013).

# ANNUAL INFLOW OF MIGRANT WORKERS TO MALAYSIA AND THAILAND BY OCCUPATIONAL SKILL LEVEL, 2007 – 12 (THOUSAND)

**Figure 6-5 Annual inflow of migrant workers to Malaysia and Thailand by occupational skill level, 2007-12 (thousand)**



Note: Skill level is defined according to the International Standard Classification of Occupations (ISCO-08), as outlined in Chapter 4. Malaysia covers those residing in private living quarters (this excludes persons living in institutions such as hotels, boarding houses and hospitals, among others). Thailand data measure those who migrated to Thailand within the previous year so may include some Thai-born or native return migrants; there is a series break between 2009 and 2011, where the figure for 2010 was interpolated assuming a linear trend.

Source: Department of Statistics Malaysia: *Migration Survey* (Putrajaya, various years); Thailand National Statistical Office, Ministry of Information and Communication Technology: *Thailand Labour Force Survey* (Bangkok, various years); Thailand National Statistical Office, Ministry of Information and Communication Technology: *Migration Survey* (Bangkok, 2011 and 2012).

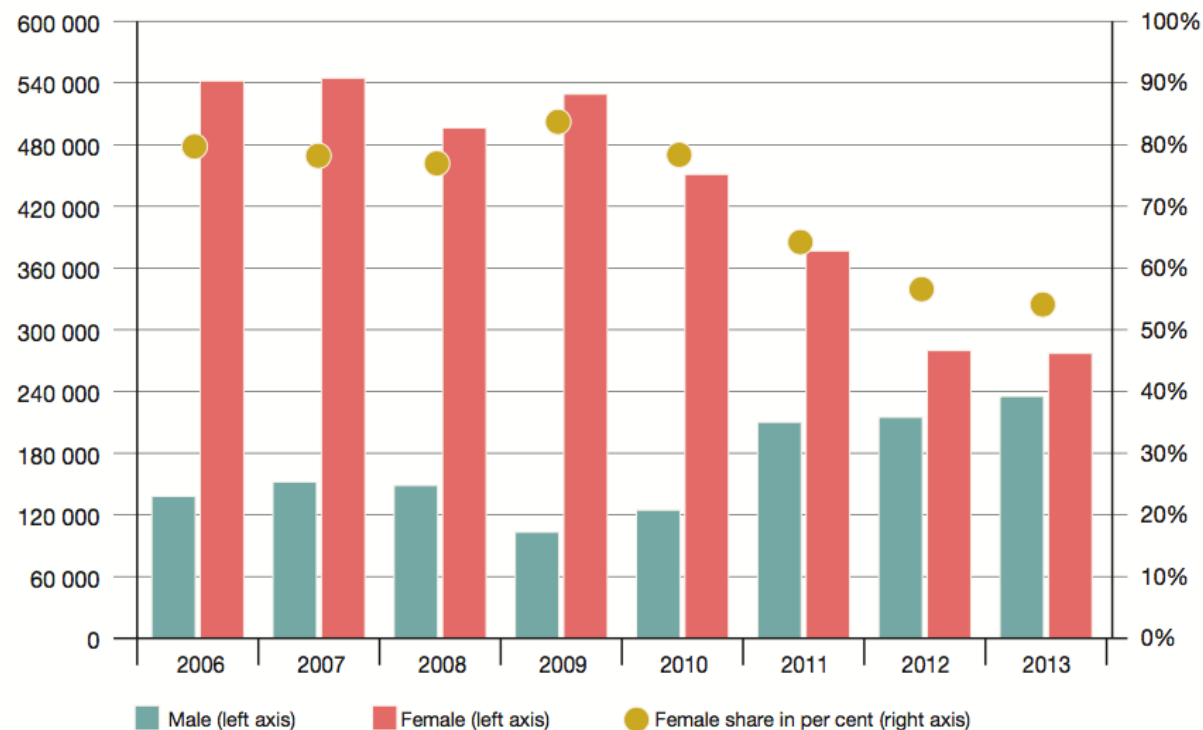


❖ Most of the new arrivals work at the lower end of medium skill occupations - as plant and machine operators and assemblers, and skilled agricultural, forestry and fishery workers and in the low-skilled elementary occupations

❖ Majority having attained lower than tertiary education and many having only achieved the primary level or below

# INDONESIA: RISING FORMAL EMPLOYMENT FOR WOMEN MIGRANTS

Box Figure 6-1 Flow of workers from Indonesia to the rest of the world by sex, 2006-13



Source: National Agency for the Placement and Protection of Indonesian Workers.

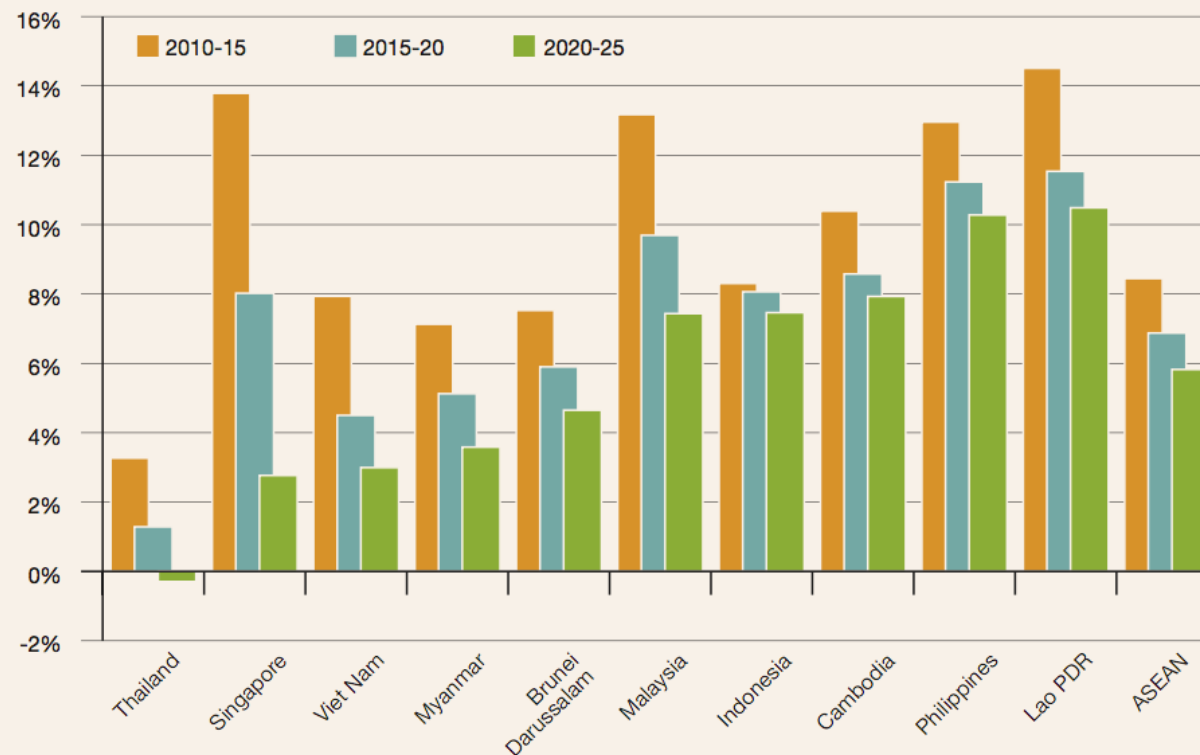
# STRUCTURAL CAUSES OF MIGRATION

## Demography

- ❖ aging population - Labor shortages
- ❖ Rising youth populations – job creation, unemployment, and underemployment

## PROJECTED LABOR FORCE GROWTH, 2010-15, 2015-20, AND 2020-25 (PER CENT)

Figure 6-6 Projected labour force growth, 2010-15, 2015-20, and 2020-25 (per cent)



Source: Official national source; ILO: Estimates and Projections of the Economically Active Population (EAPEP), Jan. 2014; ILO: ILOSTAT database.

# YOUTH UNEMPLOYMENT RATE BY GENDER, 2010-13 (PER CENT)

|                   | Total |      |      |      | Male |      |      |      | Female |      |      |      |
|-------------------|-------|------|------|------|------|------|------|------|--------|------|------|------|
|                   | 2010  | 2011 | 2012 | 2013 | 2010 | 2011 | 2012 | 2013 | 2010   | 2011 | 2012 | 2013 |
| ASEAN             | 14.7  | 13.0 | 12.8 | 13.1 | 14.1 | 12.8 | 12.7 | 12.9 | 15.3   | 13.3 | 13.0 | 13.4 |
| Brunei Darussalam | ...   | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...    | ...  | ...  | ...  |
| Cambodia          | ...   | ...  | 3.8  | ...  | ...  | ...  | 3.9  | ...  | ...    | ...  | 3.6  | ...  |
| Indonesia         | 21.4  | 20.0 | 19.6 | 21.6 | 21.0 | 19.3 | 19.4 | 21.3 | 22.0   | 21.0 | 19.8 | 22.1 |
| Lao PDR           | 3.1   | ...  | ...  | ...  | 3.2  | ...  | ...  | ...  | 3.1    | ...  | ...  | ...  |
| Malaysia          | 11.4  | 10.0 | 10.3 | 10.4 | 11.0 | 9.4  | 9.8  | 12.0 | 12.0   | 10.8 | 11.0 | 9.3  |
| Myanmar           | ...   | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...    | ...  | ...  | ...  |
| Philippines       | 17.6  | 16.3 | 16.2 | 16.6 | 16.5 | 15.2 | 14.9 | 15.2 | 19.5   | 18.3 | 18.3 | 19.0 |
| Singapore         | 9.9   | 9.2  | 8.9  | 9.4  | 7.6  | 6.6  | 6.4  | 6.1  | 12.5   | 12.0 | 11.8 | 13.3 |
| Thailand          | 3.9   | 2.9  | 2.7  | 3.4  | 3.7  | 2.2  | 2.4  | 2.8  | 4.2    | 3.8  | 3.1  | 4.4  |
| Viet Nam          | 7.0   | 5.2  | 5.5  | 6.2  | 5.9  | 4.3  | 4.6  | 5.4  | 8.3    | 6.2  | 6.6  | 7.1  |
| China             | ...   | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...    | ...  | ...  | ...  |
| India             | 10.2  | ...  | 10.7 | ...  | 9.8  | ...  | 10.4 | ...  | 11.6   | ...  | 11.6 | ...  |
| Japan             | 9.2   | 8.4  | 7.9  | 6.8  | 10.4 | 9.4  | 8.8  | 7.7  | 8.0    | 7.3  | 7.1  | 6.0  |
| Korea, Rep. of    | 9.8   | 9.6  | 9.0  | 9.3  | 11.2 | 12.1 | 9.7  | 9.8  | 9.0    | 8.1  | 8.5  | 9.0  |

Note: Ages 15-24; 2013 figures are preliminary estimates or refer to a quarterly period, may indicate a series break and are not strictly comparable to figures from previous years; India and Malaysia: ILO calculations based on official national data. "... " = data not available.

Source: Official national sources; ILO: ILOSTAT Database; ILO: Trends Econometric Models, Jan. 2014.



❖ As demographic dividend continues in some of these countries in the medium term, a strong focus on education coupled with outward migration (driven by foreign demand) may provide a viable route for lowering unemployment and setting up foundation for future growth

❖ Benefits would come to such countries from personal remittances received, and when migrants return home with new ideas, skills and professional networks – a brain gain via a brain drain

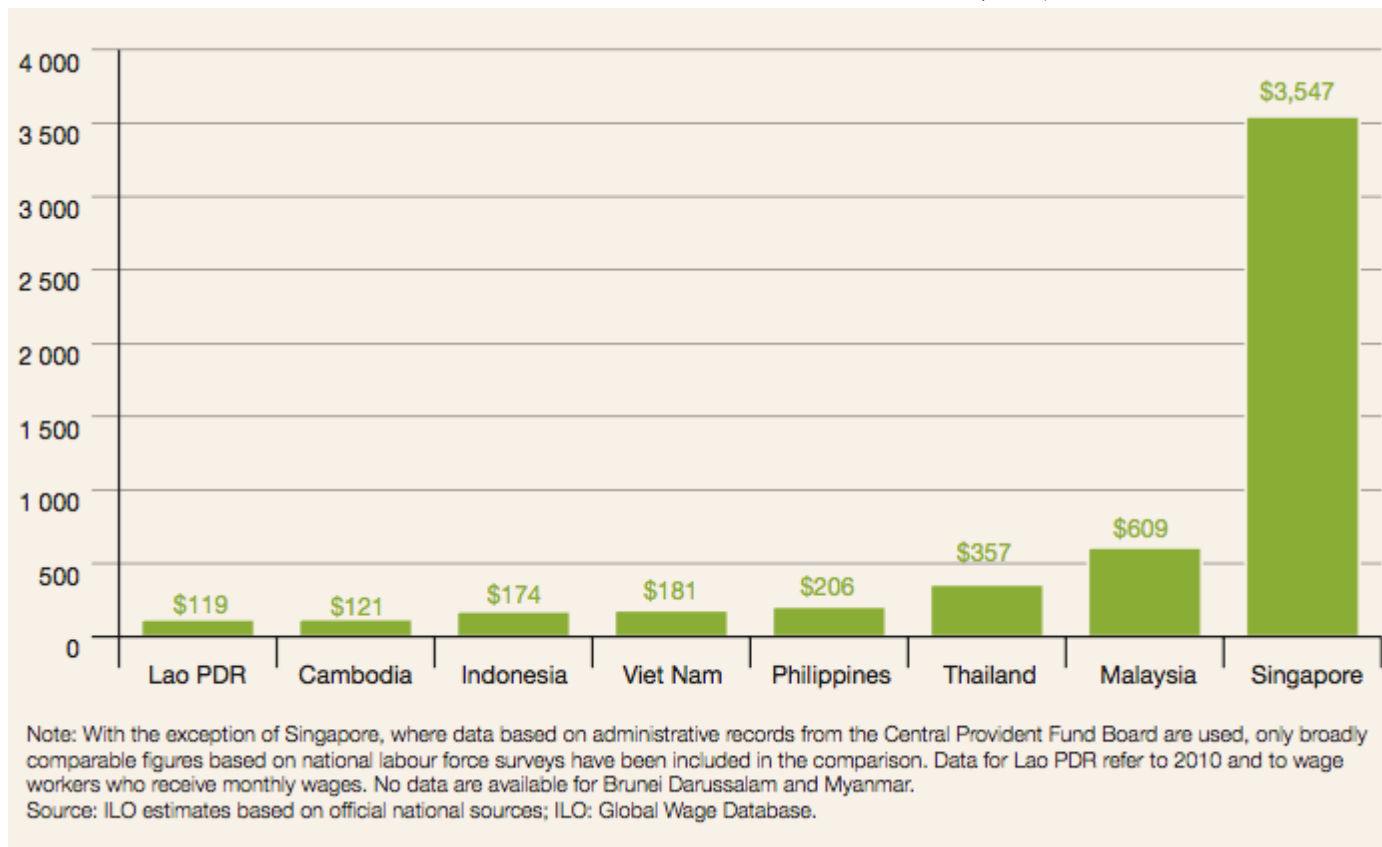
## GDP PER CAPITA, PPP, 2007-2013 (CONSTANT 2005 INTERNATIONAL \$)

|                   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| ASEAN             | 4 317  | 4 455  | 4 468  | 4 750  | 4 907  | 5 125  | 5 313  |
| Brunei Darussalam | 48 154 | 46 420 | 44 862 | 45 319 | 45 643 | 45 979 | 46 026 |
| Cambodia          | 1 789  | 1 882  | 1 857  | 1 937  | 2 040  | 2 150  | 2 260  |
| Indonesia         | 3 425  | 3 581  | 3 695  | 3 873  | 4 071  | 4 271  | 4 458  |
| Lao PDR           | 1 896  | 2 002  | 2 108  | 2 242  | 2 376  | 2 522  | 2 682  |
| Malaysia          | 13 122 | 13 510 | 13 072 | 13 767 | 14 223 | 14 775 | 15 192 |
| Myanmar           | 1 223  | 1 258  | 1 313  | 1 373  | 1 443  | 1 521  | 1 611  |
| Philippines       | 3 295  | 3 375  | 3 357  | 3 554  | 3 620  | 3 801  | 3 991  |
| Singapore         | 48 438 | 48 099 | 46 609 | 52 291 | 53 790 | 53 358 | 54 139 |
| Thailand          | 7 438  | 7 610  | 7 423  | 7 987  | 7 972  | 8 463  | 8 663  |
| Viet Nam          | 2 415  | 2 543  | 2 654  | 2 807  | 2 945  | 3 063  | 3 195  |
| China             | 5 174  | 5 635  | 6 115  | 6 708  | 7 286  | 7 805  | 8 356  |
| India             | 2 606  | 2 672  | 2 861  | 3 122  | 3 277  | 3 341  | 3 444  |
| Japan             | 31 766 | 31 417 | 29 673 | 31 054 | 30 885 | 31 502 | 32 058 |
| Korea, Rep. of    | 25 486 | 25 911 | 25 833 | 27 302 | 28 146 | 28 563 | 29 219 |

Note: 2013 figures are preliminary estimates.

Source: UN: World Population Prospects: The 2012 Revision Database; World Bank: World Development Indicators, 2013.

## AVERAGE MONTHLY WAGES, 2012 (\$)



# FREE MOBILITY OF PROFESSIONAL

- ❖ Policies for managing migration flows under the AEC are confined to high-skilled workers
- ❖ The main tools for achieving labor mobility under the AEC are likely to be the mutual recognition arrangement (MRAs)
- ❖ In support of the MRAs, ASEAN is developing the ASEAN Qualifications Reference Framework (AQRF) that will enable qualifications to be compared across Member States while providing a coherent benchmark for current national qualifications frameworks

# LABOR MOBILITY UNDER OTHER REGIONAL INTEGRATION AGREEMENTS

- ❖ CARICOM –The Caribbean Community's Single Market and Economy among 15 Caribbean nations and dependencies
- ❖ ECOWAS – The Economic Community of West African States' 2010 Common Market Protocol (Article 10) includes a Protocol on the Free Movement of Persons
- ❖ EU – has 28 Member States whose citizens are entitled to equal treatment in access to employment, working conditions and all other social and tax advantages



## ❖ MERCOSUR

- ❖ In 1991, Argentina, Brazil, Paraguay, and Uruguay –later joined by Venezuela– created the Mercosur, which aims to achieve free trade in goods and services and the free movement of factors of production
- ❖ The Mercosur Social and Labor Declaration, 1998, guarantees the fundamental rights of all workers in the region, including migrant workers
- ❖ The 2002 Free Movement and Residence for State Party Nationals grants nationals of the signatory countries the right to reside and work in Mercosur Member States as well as Bolivia and Chile

- 
- ❖ NAFTA – the North American Free Trade Agreement aims to liberalize trade and investment between the United States and Canada and Mexico
  - ❖ SADC – the Southern African Development Community is comprised of 15 countries which aim to promote, among other activities, regional cooperation through worker and student mobility, with a focus on achieving migration management through the harmonization of economic, social and legal policies

# EMPLOYMENT IN THE SEVEN OCCUPATIONS COVERED BY ASEAN MRAS, VARIOUS YEARS

|                    | Employment in the seven occupations<br>(thousand) |       |       | Share of seven occupations in total<br>employment (per cent) |     |       |
|--------------------|---------------------------------------------------|-------|-------|--------------------------------------------------------------|-----|-------|
|                    | Total                                             | Men   | Women | Total                                                        | Men | Women |
| Cambodia (2012)    | 70.1                                              | 45.5  | 24.7  | 1.0                                                          | 1.2 | 0.7   |
| Indonesia (2010)   | 355.3                                             | 203.9 | 151.5 | 0.3                                                          | 0.3 | 0.4   |
| Lao PDR (2010)     | 37.8                                              | 21.2  | 16.6  | 1.3                                                          | 1.4 | 1.1   |
| Philippines (2011) | 454.5                                             | 209.5 | 245.0 | 1.2                                                          | 0.9 | 1.7   |
| Thailand (2010)    | 295.0                                             | 124.6 | 170.4 | 0.8                                                          | 0.6 | 1.0   |
| Viet Nam (2012)    | 735.7                                             | 345.2 | 390.5 | 1.4                                                          | 1.3 | 1.6   |

Note: Sex-disaggregated figures may not add up to total due to rounding; the seven occupations refer to accountants, architects, dentists, engineers, medical doctors, nurses and midwives, and surveyors.

Source: ILO estimates based on official national sources.

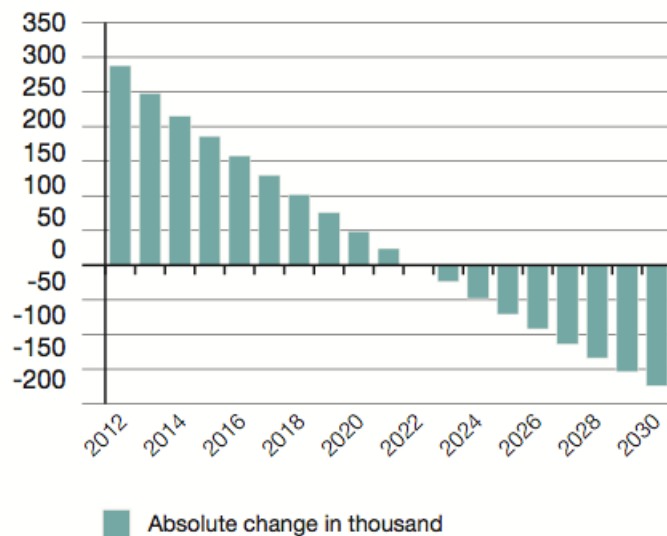
# MOBILITY OF LOW-SKILLED WORKERS

- ❖ Migration humps
- ❖ ASEAN migration hubs such as Malaysia, Singapore, and Thailand
- ❖ Flows of low-skilled migrant workers are likely to continue in the short and medium term because of demographic factors and existing economic disparities

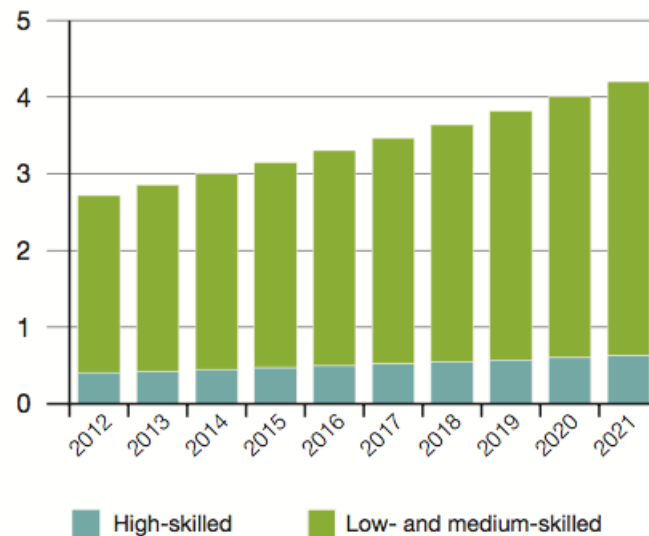
# THAILAND: HEADING TOWARDS LABOR SHORTAGE — THE NEED FOR MORE MIGRANT WORKERS

**Box Figure 6-3 Projections of labour force growth and demand for migrant workers in Thailand**

**Panel A: Net labour force growth, 2012-30**



**Panel B: Demand for migrant workers, 2012-21 (million)**



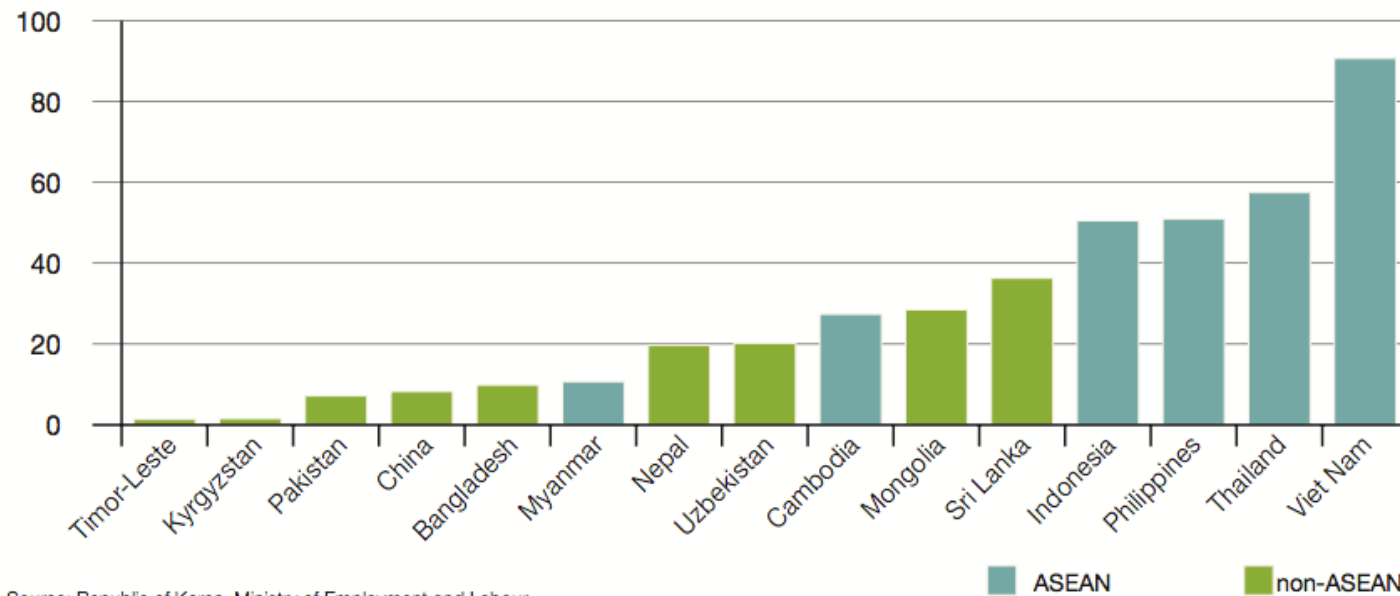
Source: Annex F, Table F1-1; ILO: ILOSTAT Database; NESDB: "Labour demand projection in Thailand", NESDB presentation based on the Labour Market Study for the Ageing Society Project (2014).

# PROTECTING MIGRANT WORKERS

- ❖ The opportunity for benefitting migrant workers and local employers mutually through a well-designed system for managing labor migration is evidenced in the Republic of Korea's Employment Permit System

# THE REPUBLIC OF KOREA'S EMPLOYMENT PERMIT SYSTEM

**Box Figure 6-4 Total migrant workers received under the Employment Permit System by source country, 2004-13 (thousand)**



# EXTENDING THE COVERAGE AND PORTABILITY OF SOCIAL SECURITY

- ❖ The right to social security is included in the Universal Declaration of Human Rights (1948), Article 22, and was recalled in the Cebu Declaration on Migrant Workers
- ❖ Ensuring that migrant workers – in both formal and informal employment- enjoy equal access to social security benefits under contributory and non-contributory scheme is important

# COVERAGE OF MIGRANT WORKERS UNDER SOCIAL SECURITY BY COUNTRY AND BRANCH, 2014

| Country                    | Branch of social security provided overall |          |              |         |             |        |           |            |           | Do these cover migrants? |
|----------------------------|--------------------------------------------|----------|--------------|---------|-------------|--------|-----------|------------|-----------|--------------------------|
|                            | Medical care                               | Sickness | Unemployment | Old age | Work injury | Family | Maternity | Invalidity | Survivors |                          |
| Main destination countries |                                            |          |              |         |             |        |           |            |           |                          |
| Singapore                  | •                                          | •        |              | •       | •           |        | •         | •          | •         | No                       |
| Brunei Darussalam          | •                                          | •        |              | •       | •           |        | •         | •          | •         | No                       |
| Malaysia                   | •                                          |          |              | •       | •           |        |           | •          | •         | Yes <sup>(b)</sup>       |
| Thailand                   | •                                          | •        | •            | •       | •           | •      | •         | •          | •         | Yes                      |
| Main source countries      |                                            |          |              |         |             |        |           |            |           |                          |
| Cambodia <sup>(a)</sup>    | •                                          | •        |              | •       | •           |        | •         | •          | •         | Yes                      |
| Indonesia                  | •                                          | •        |              | •       | •           |        |           | •          | •         | Yes                      |
| Lao PDR <sup>(a)</sup>     | •                                          | •        | •            | •       | •           | •      | •         | •          | •         | Yes                      |
| Myanmar <sup>(a)</sup>     | •                                          | •        | •            | •       | •           | •      | •         | •          | •         | Yes                      |
| Philippines                | •                                          | •        |              | •       | •           |        | •         | •          | •         | Yes <sup>(b)</sup>       |
| Viet Nam <sup>(a)</sup>    | •                                          | •        | •            | •       | •           |        | •         |            | •         | Yes                      |

Note: Information is based on social security laws and acts but does not consider any sub-level decrees or regulations that might hold relevant provisions;  
 (a) Social security laws have been adopted though the implementing legal texts are still in draft form. (b) Excludes medical care. "Yes" means migrant workers are covered equally with non-migrants. "No" means only nationals and/or permanent residents are eligible. "•" indicates a branch of social security is provided within a given country.

Source: ILO compilation from official national sources.

## SOURCE

ASEAN Community 2015: Managing integration for better jobs and shared prosperity

Bangkok, Thailand: ILO and ADB, 2014