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# RSIS COMMENTARIES

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## **Migrant Workers and the Right to Labour**

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*There has been some public discussion on the issue of labour migrants and its supposed impact on the productivity of the national labour force. How true is this? Or is this simply another episode in the securitising of migration during periods of economic crises?*

THERE has been some debate on the issue of labour migrants and its supposed impact on the productivity of the national labour force. On one hand, there were calls for the government to revisit its policies on migrant workers. On the other, it appears that the government is more keen to address the issue of re-training and upgrading of skills of the national workers.

There are also rumours that the government is considering a reduction in the quota of foreign workers. As the economic downturn takes its toll on the national economy, the natural consequence is job loss in the manufacturing and service sectors. These issues however are neither new nor unique to Singapore. At the heart of the discussion however remains two inter-related issues -- job security for the national workers and the vulnerability of workers in general.

### **Migration Trends in Southeast Asia**

According to the International Organization for Migration (IOM) *World Migration Report 2008*, the bulk of the 86 million migrant workers worldwide are employed in the service sectors of major developed economies. In Southeast Asia, migrant workers are mostly employed in the manufacturing industry.

Southeast Asia is an emerging market in the global economy. With increasing globalisation, demand for and supply of foreign labour has increased significantly since the 1970s. Labour migrants filled much of the labour shortages in the receiving countries, as noted by the International Labour Organization (ILO). The Asia Development Bank (ADB) highlighted that most immigrants live and work legally in the host countries on short-term labour contracts although a significant number also moved on to attain permanent status.

The ILO identified seven factors that drives migration: wide gaps in wages and productivity between

sending and receiving countries; ageing and uneven distribution of young workers in the region; state policies on immigration; dramatic improvements in information communication technology which in turn facilitates social networks amongst migrants; and the commercialisation of migration as an employment opportunity. *(there are only five factors here??)*

### **Future Labour Outlook in Southeast Asia**

The ILO also noted that there is an ‘unprecedented decline in fertility and mortality’ especially in Southeast Asia during the latter half of the 20<sup>th</sup> century. The fertility rate in the region dropped by more than half. Singapore and Thailand are the two countries that will be most affected due to their declining population in the age range of 15 and 24. Subsequently, economic productivity will decline and these countries would face difficulties in sustaining their present standard of living. This is because their labour force will have to support more economically inactive people in the population.

According to the ILO’s report on labour and social trends in the region, the impulse to retrench migrant workers may be detrimental to the national and regional economies in the long-run. Apart from increasing productivity and output, migrant workers fill up the necessary lower-productivity jobs thereby freeing higher-skilled national workers for the higher-productivity jobs. Additionally, migrant workers contribute towards demand for local goods and services and boost domestic consumption. The report also singled out the impact of low wages on the profitability of enterprises whose accrued savings could be invested back as its capital.

### **Security, Vulnerability and The Right to Labour**

Earlier this year, the IOM pointed out that migrant workers are often the first to lose their jobs in the event of economic recession. Calls to reduce migration are typically based on the perception that “migrants take jobs” or “compete for welfare benefits”. More extreme cases would be on the ground that they are a strain on the receiving communities’ social and societal security. Security analysts comprehend social security as the social and economic well-being of individuals while societal security refers to the collective identities of social groupings. Thus, social security encompass *threats in society* issues such as poverty, shelter, education and healthcare while societal security refers to *threats to society* issues such as the cultural and political identity of communities and minority groups.

In analysing international trends and projections, inter-state labour migration will continue to be one of the key drivers of the global economy. However, migrant workers are often blamed for causing social and societal insecurities, often unjustifiably. In fact, migrant workers are vulnerable and sensitive to any negative shift in the global economy.

For instance, the typical labour migration occurs from less-developed economies to the more developed economies such as Singapore, Thailand and Malaysia. The loss of employment would mean that these workers are unable to remit any monies back to their families. Most fall into debt because they are unable to repay their loans from the employment agents. In the absence of enforced labour rights and employment benefits, many of these workers fall prey to rogue agents and unscrupulous employers. Furthermore, contrary to popular perceptions and according to several studies, migrant workers tend not to commit crimes due to the fear of deportation and repatriation.

The unemployed amongst the national workers are already bearing the social stigma of unemployment, retrenchment and dependency on social services. The noticeable presence of employed foreign workers add to the inevitable sense of vulnerability, insecurity and maybe even injustice. Perhaps what is needed is the social integration of migrant workers. This is in addition to the widely available state-sponsored social services and job skills and training programmes as part of the larger nation-building project.

Migrant workers could be more involved in community-building and social activities via participation in interest groups and civic society organisations. For example, the substantial number of foreign domestic helpers and labour migrant workers can contribute towards charity work alongside citizens. However, all this, of course, is possible only with the cooperation of hiring agents and employers. It also requires the de-commoditising of migrant workers as mere entities serving the nation's economic interests and humanising them as social capital.

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