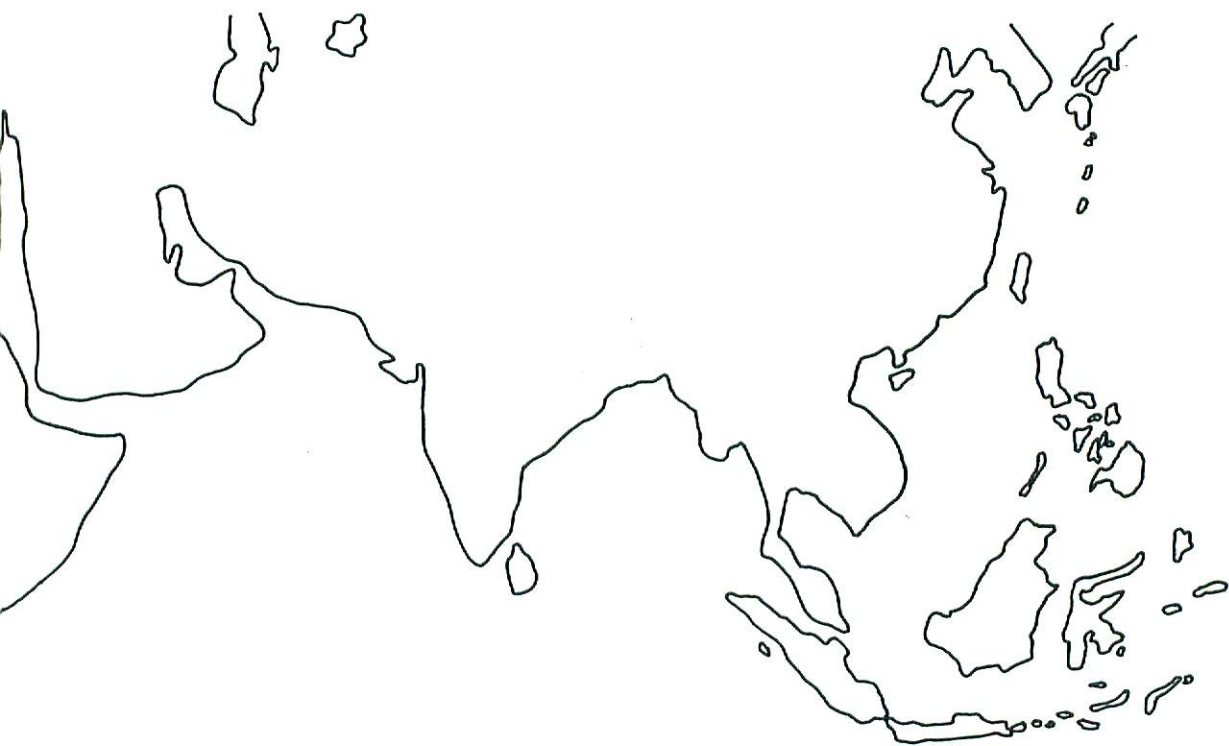


Labor Migration in Asia



MARCH 1992

**The Asian Population and Development
Association**

Labor Migration in Asia

MARCH 1992

**The Asian Population and Development
Association**

THE ASIAN POPULATION AND DEVELOPMENT ASSOCIATION, 1992
Nagatacho TBR Building, Rm. 710
10-2, Nagatacho 2-chome, Chiyoda-ku, Tokyo 100
Telephone : (03) 3581-7770
Printed in Tokyo, Japan

Preface

The international migration of populations or of labor force is a historically old phenomenon. However, a change in the 1980s which deserves special attention is the abrupt increase of so-called "refugee" populations, which do not fit into the category of legal migrants. Originally, the international migration of labor signifies movement based on contracts or other legal grounds. Of course, non-legal migration is by no means infrequent even now, but the abrupt increase in refugees has now further complicated the character of international migration of population.

Along with the massive inflow of such refugees and illegal migrants, Japan is now also facing the contradictory problems of a sudden increase in the numbers of illegal aliens and a labor shortage. Migration is not a one-way phenomenon. It is a mutual phenomenon generated between two countries, the country accepting these people and the country from which they came. This means that the issue should be dealt with from the viewpoint of the mutual understanding and mutual interests of the two countries involved.

Barriers to international migration are gradually being removed. In addition, it is becoming increasingly difficult for only the countries directly involved to resolve the problem of labor supply and demand. There is a growing need for studying the issue within a wider framework of broad economic spheres.

Believing that the first step to be taken is to understand the situation of Asian countries which export labor to Japan and the policies of their governments, we conducted exchanges of opinions with governmental officials and specialists of the countries involved. This book is a collection of reports on the different countries surveyed.

Finally, we would like to express our sincere thanks to the Japan Shipbuilding Industry Foundation (Chairman Ryoichi Sasakawa) and the United Nations Population Fund (Executive Director Dr. Nafis Sadik) for their immense support on the preparation of this book.

March, 1992
Fukusaburo Maeda
Acting Chairman
Asian Population and
Development Association

Contents

Preface.....	3
Chapter One Introduction: The Third External Pressure.....	7
Chapter Two International Labor Migration in Asian Countries Today.....	11
1 Trends in International Labor Migration and Asian Countries.....	13
2 Background to the International Labor Migration	16
3 Effects of International Labor Migration	17
4 Asian Countries and Foreign Workers in Japan	19
Chapter Three Labor Dispatch Mechanisms in Asian Countries	31
1 China	33
2 Thailand	40
3 Philippines	47
4 Indonesia.....	52
5 Malaysia	57
6 Pakistan.....	63
7 Bangladesh	68
8 Sri Lanka.....	74

Chapter One

Introduction: The Third External Pressure

Toshio Kuroda
Director Emeritus,
Population Research Institute
Nihon University

It is not an exaggeration to say that the modernization of Japan began due to external pressures. The first external pressure was the arrival in 1853 of U.S. envoy Perry at Uraga in his black ship, destroying Japan's 220 year dream of tranquility through isolation. The second was the domination of Japan by the occupation forces after the defeat in World War II. The occupational policies forced on Japan unexpectedly to open the doors to the development of Japan into an economic giant.

Japan's exceptional rapid economic growth and demographic transition created a severe shortage of labor, which led to the invasion of large numbers of peaceful foreign workers. Though, of course, not as extensive as the attack of the Mongolian army over 700 years ago, the arrival of these foreign workers on Japanese soil greatly affected Japanese society. A panic seized the government and private sector who felt this as the third external pressure. However, it is necessary to note that this problem is not one affecting Japan alone, but one which must be studied within a global framework and with a long-term perspective.

The first point is that the international migration of people has been increasing dramatically on a global scale. However, the incidence of so-called illegal migration, which is not conducted with the rightful procedures, is increasing pointedly. Refugees deserve special attention. Vast numbers of people cross borders into other countries due to war, civil strife and political reasons. Recently, some people are leaving for other countries due to worsening environments which make it impossible for them to live in their own country. It is said that currently these environmental refugees number a minimum of 10 million people. There are said to be a total of 15 million refugees in the broad sense of the term.

The second point is that international migration, whether legal or illegal, is migration across borders. Because of this, it concerns two countries, the country from which the migrants originate and the country of their destination. This signifies that the problem of migration is the issue not of a single country alone, but one mutually affecting two countries. For this reason, there are some factors causing this migration of population or labor population in both of the countries involved, and this migration affects both countries in one way or another. Because of this mutual relationship, it is not possible to understand or solve this problem from the standpoint of a single country.

The third point is that theories explaining the migration of populations have not yet been established satisfactorily. However, the simple but reasonable explanation is that migration is caused by a balance of forces, one drawing the population into the receiving country, the other pushing it out of the sending country. This is a balance of reciprocal forces between a country A and a country B, but the drawing and pushing forces are by no means stable. They are in a mutual relationship, so in some cases though the pushing force of country A may previously have been strong, a reversal may occur, with the drawing force becoming stronger. In Japan,

there was much emigration to other countries before and immediately after World War II, but now the opposite is happening, with the number of immigrants from foreign countries increasing dramatically, and the influx from foreign countries is rising significantly in many forms. This is the problem of the influx of foreign workers.

Migration is essentially the same, whether it be between regions within a country or between countries. The only difference is that in the case of international migration, there are borders, and therefore countries' policies intervene. However, even such borders in some cases do not act as strong barriers. An example is the current movement of refugees. On the other hand, in such cases as the EC, consisting of many nations, migration is carried out freely, as though there were no borders. Throughout the world, the high walls of borders are rapidly losing height, though perhaps not at the same pace as the Berlin Wall. The factors causing people to migrate are extremely complex. There are always latent opportunities for migration in places where inequality and injustice exist. The factors are not only economic, such as economic gaps or differences in employment opportunities. Social, cultural, political, ethnical and religious factors are also involved. Such factors as climate and natural environment can also not be overlooked. Another factor which requires attention is the pressure of population growth. In countries or regions with extremely high birth rates, such factors combine with other factors to amplify the momentum for migration.

The fourth point is that there are severe gaps between countries, some with excess labor populations, others with labor shortages. For example, in Japan the shortage of labor is already quite intense, and Korea is starting to head for labor shortages. On the other hand, such countries as China, the Philippines and Indonesia are faced with labor surpluses. In recent years, new ideas of regional economic cooperation are being shaped, such as Japan Sea Rim and Yellow Sea Rim. With such regional economic cooperation, it will no doubt become necessary to study the framework of labor supply and demand within such broad regions.

We believe that in considering the problems of labor shortage and foreign workers in Japan, it is first necessary to gain an accurate understanding of the export of labor in certain Asian countries from which workers come to Japan, as well as the policies of the governments of these countries. We visited these countries and exchanged opinions with concerned authorities, and the results are being announced in separate reports. Here we attempted to offer a summary of the situation in the various countries where inquiries were conducted and to compare the policies of these countries on the overseas export of labor.

Chapter Two

International Labor Migration in Asian Countries Today

Machiko Watanabe
Associate Professor
Kaetsu Women's Junior College

1 Trends in International Labor Migration and Asian Countries

According to ILO estimates, the number of workers migrating to countries other than the one of their citizenship with the purpose of "work" (foreign workers (*1)) reached approximately 20 million in 1980, with approximately 5 million in North America, 6 million in West Europe, 3 million in South America, 3 million in the Middle East and North Africa, and 2 million in Asia (*2). These statistics for today are not clear, but over this past decade the internationalization of economies has progressed world-wide and with this the movement of people has become more active. In addition, the concrete changes towards unity within the EC, the democratization and movement towards market economies in the USSR and Eastern Europe, the Persian Gulf situation, and the economic development of Asian NIEs and the ASEAN countries are all developments which can be thought to have greatly affected the international movement of labor, both in quantity and in direction.

Table 1 shows a list of countries in which the percentage of foreign-born population among the total is over 10% and the number of foreign-born persons exceeds 100,000, according to available statistics from 148 countries and regions compiled by the United Nations between 1970 and 1984 (*3). There are an additional 8 countries in which the percentage of foreign-born persons among the total is less than 10% but the number of foreign-born persons exceeds 1 million: the United States (14 million), India (7.9 million), West Germany (4.5 million), the United Kingdom (3.4 million), Poland (2.09 million), Argentina (1.9 million), Brazil (1.8 million) and Venezuela (1.04 million). Excluding Israel, Singapore and India because of situations at the time of independence, we can conclude from this data that the international flow of people is toward five directions: (1) North America and Oceania, (2) Oil-producing countries of the Middle East, (3) West Europe, (4) certain countries in South America (Argentina, Brazil and Venezuela), (5) Côte d'Ivoire in West Africa. The foreign-born population does not consist entirely of foreign workers. However, it is a fact that foreign workers are a major constituent element of this group, so it seems feasible to read this flow of people as a flow of labor.

In order to understand the trends in the international labor migration in relation to Asia, it is necessary to supplement this data with other statistics indicating from what regions this flow of people is originating. Table 2 shows the trends in the official numbers of immigrants in traditional receiving countries, the United States, Canada, Australia and New Zealand. The percentage of immigrants from Asia to North America and Oceania has risen over the past 25 years, and has been increasing particularly since the 1970s. (The figures for "Asia" on this table

include Iran and other Middle Eastern countries, but consist primarily of immigrants from the Philippines, Korea, China, Vietnam, India and other non-Middle Eastern Asian countries.) The numbers of immigrants from Asia between 1981 and 1985 were approximately 1.55 million in North America and 160,000 in Oceania, and if we set the labor participation rate at 50%, the result is that over these five years, 770,000 and 80,000 workers, respectively, immigrated to these areas. In addition, there are people who have entered these countries temporarily with the purpose of working and illegal immigrant workers. In the case of the United States, it is estimated that these number 50,000 to 90,000 yearly for the former (a little less than 30% of whom are Asians) and 200,000 yearly for the latter (most of them come from Latin American countries including a little under 60% Mexicans) since 1970. In any case, the flow of Asian workers is increasing rapidly to these areas, to the United States in particular.

Western European countries accepted large numbers of foreign workers in the period of rapid economic growth in the 1960s, mainly from countries along the Mediterranean, such as Turkey, Italy, Portugal, Spain, Yugoslavia, Algeria and Morocco. The number of foreign workers in EC countries increased from approximately 1 million in 1959 to 7 million at the beginning of the 1970s (peaking in 1973). After this, slower economic growth led EC countries to adopt policies designed to restrict the acceptance of foreign workers and to encourage to return home, but even so there are currently over 6 million foreign workers in the EC as a whole, including some 1.8 million in West Germany, 1.6 million in France and 550,000 in Switzerland (*4).

With the exception of the United Kingdom, the Western European countries accepted these foreign workers for temporary stays with the condition that they one day return to their countries of origin. Many settled, however, and despite changes in policies regarding foreign workers, brought their families, so that the number of foreigners living in these countries continued to increase until around 1980. Table 3 shows the foreign-born population in the six Western European countries which have received many foreign workers. The total number of foreign-born persons in these six countries was 10.62 million in 1985. Of this number, 21% were Asian, the most numerous after Europeans. However, these "Asians" were mostly Turks, and the flow of Asians in the narrower sense of the term, excluding the Middle East, was traditionally not so significant. The number of Asians immigrating to Europe is increasing steadily, though, and the situation has started to change.

Middle East oil-producing countries have smaller populations and have traditionally accepted many workers from Arab regions with large populations such as Egypt and North Yemen. With the economic boom triggered by the rise in the price of oil, the demand for labor began increasing in the mid-1970s, and in addition to those from Arab regions as before, many workers also began coming from such Asian countries as India, Pakistan, Korea, the Philippines, and Indonesia. The number of foreign workers in the five Gulf states (Saudi Arabia, Kuwait, the UAE, Bahrain and Qatar) increased from about 700,000 in 1970 to some 1.3 mil-

lion in 1975 and 2 million in 1980. Table 4 shows the numbers of foreign workers in 1980 in Arab countries, including these five Gulf countries, by country of origin. Saudi Arabia had the largest number of foreign workers. Egyptian nationals were the most numerous, and over 60% of the foreign workers were from Arab regions. Asians accounted for roughly 30% of the total (*5). As the downturn in world oil prices since 1981 has considerably affected the economic situation in the Gulf countries, the demand for labor began to decrease, and the number of workers from Asia is declining (Figure 1). Additionally, it is presumed that the increasing instability of the Gulf area beginning with Iraq's invasion of Kuwait has led to an increased mobility among foreign workers, with several hundreds of thousands returning home.

South America received many immigrants from various areas of the world before World War II, but in recent years the majority of immigrants are from neighboring countries. In 1974, the number of foreign workers in South American countries was estimated at approximately 3 million, of which 95% were from other countries within the region. In West Africa, the number of foreign workers was approximately 1.3 million in 1975, of which over 50% were in Côte d'Ivoire (*6). This country is one of the few middle income countries in southwestern Africa, and attracts workers from Burkina Faso, Mali, and other nearby countries (95% of foreign workers in Côte d'Ivoire are from neighboring countries). Thus, in South America and West Africa, the migration of labor is mainly from neighboring countries, and there are very few migrants from Asian countries.

According to the ILO, the number of foreign workers in the Asian region is estimated to be approximately 2 million (in 1980). Though the numbers are difficult to determine, we can assume that Chinese workers in southeast Asian countries account for a major share of the total. In addition, from statistics offered by the countries of origin, we know that there are major movements of workers from Malaysia to Singapore, from Indonesia and Thailand to Malaysia, from the Philippines to Hong Kong and Singapore, and from other southeast Asian countries to Brunei. In addition, in the 1980s, and in particular since the latter half of the 1980s when the yen became stronger, the migration of labor from other Asian countries to Japan has become conspicuous. Some underlying reasons for this include the increasingly active exchange of people for business purposes due to the internationalization of the Japanese economy, the strong pulling effect generated by the increasingly large gap in incomes, and the reduction in employment opportunities in oil-rich countries due to their economic situations.

In other words, if we consider the trends in international labor migration, we can see that: (1) the numbers of workers from Asian countries has been increasing in relative and absolute numbers since around 1970; (2) these Asian workers are migrating to a greater diversity of countries, not only North America, Australia and within Asia as before but also to Middle Eastern oil-producing countries and western Europe; and (3) movement within the Asian region, including to Japan, is becoming increasingly active.

2 Background to the International Labor Migration

The gap in income is usually pointed out as the major factor of international labor migration. However, the income gap between sending countries and receiving countries is not the only factor involved. Labor migrates as the result of a complex mixture of circumstances in the countries of origin and the host countries. We can divide the factors behind the international labor migration into three categories, demographic factors, economic factors and institutional factors (*7).

In "poor" countries, the problems of "population pressure and poverty" resulting from the fact that the low level of economic activity cannot sustain the high increases in population, and the problems of "unemployment and underemployment" caused by the increase in the supply of labor exceeding the number of jobs created generate a source of latent migrant workers. This acts as a pushing factor for foreign workers. On the other hand, in "rich" countries, the lack of manpower and the qualitative imbalance in the supply and demand for labor create a demand for foreign workers. This acts as a pulling factor for foreign workers. The income gap existing between the two countries amplifies these attracting forces.

In addition, various institutional factors play a role in transforming "latent migrant workers" into "actual foreign workers", including receiving policies of the host countries and mutual agreement between the countries regarding foreign workers, the degree of tolerance of the host society, and the system of intermediaries and go-betweens. For example, such factors as, in the sending country, the way in which the government approaches the "export of labor" and how it handles systems for regulating agents and for supporting the safety and human rights of its people overseas, and in the receiving country, whether or not there are restrictions to immigration, whether or not immigrants can freely communicate and make remittance to their native countries, whether or not their salaries, working hours, and other labor conditions are guaranteed, and the extent of restrictions on language, religion and customs, all these factors are of great importance. If such institutional factors supporting the international labor migration are to a certain extent in place, the greater the economic gap (employment opportunities and wage levels) between the country of emigration and the country of immigration, the greater the number of migrant workers.

Figure 2 shows an arrangement of the above factors in consideration of current conditions in Asian countries. Table 5 shows a comparison of demographic and socioeconomic indices between Asian countries from which many workers emigrate and Japan and other developed

countries which have accepted large numbers of foreign workers.

The income gap between Japan and other Asian countries measured by the per capita GNP is very big. The per capita GNP in Japan is 130 times that of Bangladesh, the country in which it is lowest. Even if we consider the standard of living, the level of prices, travel costs and other expenses directly affecting migration, and the risks of unpaid wages and dismissal, the gap in income with Japan is still extremely great, and this no doubt acts as a strong pulling factor for workers from other Asian countries.

If we look at the demographic indices, it is clear that the population pressure in these other Asian countries is quite strong, both relatively and absolutely. Throughout the 1960s and 1970s, the rate of increase in the population was high in Asian countries. In the 1980s as well, it was over 2% in many countries. A high rate of population increase inevitably leads to a future increase in the labor force. Asian countries are in fact currently struggling to deal with the problem of the increasing labor force. The excess labor force is drifting from the rural area to the cities. Such modern sectors as manufacturing, finance and banking and services in the cities are not sufficiently developed, and the capacity of the cities to absorb the influx of labor from the rural area is still low. Because of this, the excess labor force is forced to stay in the "informal sectors" of the cities. Thailand and Malaysia are no exceptions, despite their remarkable growth in recent years. This excess rural and urban labor force becomes a pressure for migration abroad. In addition, the large income gap existing between these Asian countries and developed countries including Japan is also a strong incitement for skilled workers with jobs in their countries to move abroad. On the other hand, if we look at Japan, the birth rate is low, and it is clear that the supply of young workers will decrease greatly in the near future. In addition, Japan is expected to grow steadily, we can predict that the demand for labor will remain strong, so a shortage of labor, in particular for young labor, is unavoidable. The differences in the balance of supply and demand for labor together with the income gap is currently generating an extremely high pressure for the outflow of workers from other Asian countries to Japan.

3 Effects of International Labor Migration

The international labor migration greatly affects both the sending countries and the receiving countries. For the sending countries, the emigration of workers abroad can be expected to produce certain benefits, such as the relief of the population pressure, alleviation of unemployment and underemployment, improvement to the international balance of payments through the remittance of foreign currency, and the acquisition of skills and know-how. The positive

effects on the population and employment fronts may be doubtful because the number of workers leaving the country is small in comparison to the total population and workers still remaining, but expectations on remittances are high, as they result in the acquisition of foreign currency, which tends to be insufficient. For example, the total amount of remittances to Pakistan was 2 billion dollars in 1988, corresponding to 46% of exports and 28% of imports in the same year. In 1982 when remittances peaked, the sum was 2.8 billion dollars, corresponding to 98% of exports and 50% of imports, and twice the sum of foreign aid. For the Philippines as well, remittances amounted to 900 million dollars at the peak in 1983, the equivalent of 19% of exports, 13% of imports, and 1.8 times the sum of foreign aid (*8). For countries with weak capabilities to acquire foreign currency, remittances are indeed appealing. Such remittances also increase the level of consumption of the workers' families, become funds for starting businesses and help the families escape the clutches of poverty. In addition, this increase in the consumption of families can work advantageously to vitalize the national economy. The repatriation of emigrant workers who have acquired skills and know-how produces an incoming transfer of technology and contributes to economic development (*9).

The outflow of labor overseas is also in many ways disadvantageous for the future economic development of the country of origin. The damage is particularly great when workers with abilities and skills leave for unskilled labor in other countries. The problem is serious when workers who are highly skilled leave home country due to the large gap in wage levels, and also the demand for the skill which they have is very big in their country. In addition, the costs spent on the educating and training the workers in the broad sense of the word are in effect wasted in the country of origin, with the host country getting a free ride. In addition, as the workers leave the jurisdiction of their country of origin, they are apt to receive disadvantageous treatment on many fronts, including the assurance of their human rights, wages and other labor conditions, insurance against accidents on the job, the guarantee of their living conditions, and so on. Such problems are particularly severe for illegal workers. For the worker personally, expenses for travel and go-betweens can become an excessive burden, and the distance separating the worker from his or her family can lead to destruction of the family.

On the other hand, benefits to the host country include foremost the quantitative and qualitative reduction of the shortage of labor. The relatively cheap labor is also a benefit for company management. Such factors can be perceived as contributing to economic growth and the stability of prices in the host country. However, they can also be problematic when considered long-term. The unrestricted influx of cheap labor preserves the borderline industries which would otherwise have vanished, delaying a desirable change in the industrial structure. Another danger is the reduction of the incentive for technical progress aimed at the reduction of labor. Furthermore, cheap labor clearly has a negative effect on the improvement of working conditions for the native workers. In addition, the influx of foreign workers signifies the influx of

other cultures, which can be seen as advantageous in stimulating and vitalizing the culture of the host country, but can also lead to social instability caused by the inability of foreign workers to adapt to the society of their host country. It is also pointed out that the presence of foreign workers incurs various social costs such as for maintenance of the environment and public health.

The international migration of labor can in general be said to produce benefits to both the country of origin and the host country in the short term, but the possibility for damage increasing in the long term is great. Of course, these advantages and disadvantages naturally depend on the character of the international migration - the period of stay, the fields of employment, legality, institutional factors, etc. - and they must be judged on a case by case basis.

4 Asian Countries and Foreign Workers in Japan

Japan's current policy with respect to the acceptance of foreign workers is to accept foreigners possessing specialized skills as far as possible but to restrain the influx of unskilled workers (*10). The concrete range of acceptance of foreign workers is indicated by the statuses of residence determined by the "Immigration Control and Refugee Recognition Act", which limits employment to those with specialized skills or knowledge and those working at jobs inherently requiring the abilities of foreigners, etc.

With the internationalization of the Japanese economy, the number of people newly entering Japan is increasing year by year, from 1.09 million in 1980 to 1.99 million in 1985 and 2.93 million in 1990. Of these, those persons entering Japan with the purpose of working has increased from 30,000 in 1980 to 44,000 in 1985 and 910,000 in 1990. The increase has been particularly prominent in the last half of the 1980s. In 1990, this number increased an abrupt 27% over the previous year. Of these 910,000 individuals, 75,000 entered the country for public entertainment purposes, with Filipinos the most numerous at over 40,000. The number of persons newly entering Japan for study purposes in 1990 was 30,000 (up 17% over the previous year), many of them from China, Korea, Thailand, the Philippines and Malaysia. The number of those entering Japan for training purposes was 38,000 (up 27% over the previous year). This number has been gradually increasing over the past few years. Many of these people are from China, Korea, Thailand, Malaysia and the Philippines. It reflects the fact that investment by Japanese companies to those southeast Asian countries is recently increasing. The possibility is high those individuals entering Japan for study or training purposes are actually working. The number of foreigners residing in Japan was 1.08 million at the end of 1990, an increase of 9% over the previous year. Furthermore, with the revision of the Immigration

Control Act in June, 1990, people of Japanese descent may work without restriction if they are granted the status of "teijusha" (permanent resident), and accordingly the numbers of ethnic Japanese from Brazil and other Latin American countries coming to Japan to work is rapidly increasing (according to newspaper reports, 120,000 ethnic Japanese have come to Japan over the past few years).

In addition to these legal foreign workers, the number of illegal workers is also increasing rapidly, due among other factors to the economic gap between Japan and nearby countries. In 1990, the number of illegal workers charged with violating the Immigration Control Act was 29,884 (an increase of 80% over the previous year), 13 times more than in 1983 (Table 7). Those charged are only "the tip of the iceberg", and the actual number of people working illegally is said to be 100,000 or even 200,000. The number of persons charged with working illegally has been increasing since the middle of the 1980s, indicating that the number of illegal workers has been rapidly increasing over the past few years. Particularly conspicuous is the increase in illegal male workers, especially those from Pakistan and Bangladesh by nationality and in construction and manufacturing by industry. With the strong yen, the income gap between Japan and other Asian countries is becoming increasingly pronounced, and the manpower shortage in the construction, manufacturing and service industries in Japan is growing. The reduction in employment opportunities in Middle Eastern oil-producing countries due to sluggish economies is also a factor in the abrupt increase of illegal Asian workers in Japan.

Notes

- 1) Here, "foreign workers" refers to "those who have migrated to a country other than the one of their citizenship with the purpose of employment", and does not include refugees, tourists, pilgrims, nomads, or people migrating for other purposes.
- 2) ILO, 1984.
- 3) UN, 1988.
- 4) Economic Planning Agency, 1989 (original source: OECD, SOPEMI).
- 5) According to data from the countries of origin, the number of their citizens working in the Middle East in 1981 was 800,000 for India, 170,000 for Korea, 340,000 for the Philippines, 90,000 to 120,000 for Sri Lanka, and 160,000 for Thailand, so the sum for only these five countries is quite higher than the figures given here (OECD, 1989.) In any case, it is extremely difficult to ascertain the accurate number of foreign workers.
- 6) ILO, 1984.
- 7) Refer to K. Morita, 1987; Ministry of Labor 1988; Economic Planning Agency, 1989; K. Tezuka, 1989; Ministry of Labor, 1991, etc.

- 8) Calculated from OECD, 1989, Table 1.4.; World Bank, *World Tables*; IMF, *International Financial Statistics*, etc.
- 9) In regard to these points, various case studies point out that money remitted is rarely employed towards productive applications, and that in many cases acquired skills are wasted due to the non-existence of work requiring such skills in the country of origin.
- 10) The Sixth Basic Plan on Employment (decided by Cabinet on June 17, 1988), etc.

Bibliography

- 1 Appleyard R. ed. (1988), *International Migration Today, Volume 1 : Trends and Prospects*, Unesco/University of Western Australia.
- 2 Economic Planning Agency ed. (1989), *Gaikokujin-rodosha to Keizaishakai no Shinro* (Foreign Workers and the Course of the Economy and Society).
- 3 Hanami, T and Y. Kuwabara ed. (1989), *Asu no Rinjin - Gaikokujin-rodosha* (Tomorrow's Neighbors - Foreign Workers), Toyokeizaishinposha.
- 4 ILO (1984), *World Labour Report*.
- 5 Ministry of Labor (1988), *Kaigai Rodo Hakusho* (White Paper on Labor Situation Abroad), Nihonroudoukyoukai.
- 6 Ministry of Labor (1991), *Gaikokujin-rodosha Mondai no Doko to Shiten* (Trends and Viewpoints on the Foreign Worker Issues), Romugyouseikenkyusho.
- 7 Morita, K. ed. (1987), *Kokusai Rodoryoku Ido* (International Labor Migration), Tokyo University Press.
- 8 OECD (1989), *The Impact of International Migration on Developing Countries*.
- 9 OECD (1991), *Migration - the Demographic Aspects*.
- 10 Tezuka, K. (1989), *Gaikokujin-rodosha* (Foreign Workers), Nihonkeizaishinbunsha.

11 UN (1988), *World Population Trends and Policies - 1987 Monitoring Report*, http://www.un.org/News/Press/docs/1988/198804_1987monrpt.html.

12 UN (1990), *World Population Monitoring Report 1989*, http://www.un.org/News/Press/docs/1990/199004_1989monrpt.html.
13 *World Population Monitoring Report 1989*, p. 10.
14 *World Population Monitoring Report 1989*, p. 10.
15 *World Population Monitoring Report 1989*, p. 10.

16 *ibid.*, p. 10.

17 *World Population Monitoring Report 1989*, p. 10.
18 *World Population Monitoring Report 1989*, p. 10.

19 *World Population Monitoring Report 1989*, p. 10.
20 *World Population Monitoring Report 1989*, p. 10.

21 *World Population Monitoring Report 1989*, p. 10.
22 *World Population Monitoring Report 1989*, p. 10.

23 *World Population Monitoring Report 1989*, p. 10.
24 *World Population Monitoring Report 1989*, p. 10.

25 *World Population Monitoring Report 1989*, p. 10.
26 *World Population Monitoring Report 1989*, p. 10.

27 *World Population Monitoring Report 1989*, p. 10.
28 *World Population Monitoring Report 1989*, p. 10.

29 *World Population Monitoring Report 1989*, p. 10.
30 *World Population Monitoring Report 1989*, p. 10.

31 *World Population Monitoring Report 1989*, p. 10.
32 *World Population Monitoring Report 1989*, p. 10.

33 *World Population Monitoring Report 1989*, p. 10.
34 *World Population Monitoring Report 1989*, p. 10.

Table 1 Countries with Large Percentages of the Foreign-born Population

(1000 persons, %)

	Reference year	Total population	Foreign-born		Sex ratio of foreign-born
			Number	Percentage to the total population	
France	1982	54,273	6,001	11.1	1.1
Saudi Arabia (*)	1974	6,726	791	11.8	2.0
New Zealand	1981	3,143	464	14.8	1.0
Canada (*)	1981	24,084	3,867	16.1	1.0
Switzerland	1980	6,366	1,064	16.7	0.9
Australia	1981	14,576	3,004	20.6	1.1
Côte d'Ivoire (*)	1975	6,710	1,474	22.0	1.5
Singapore	1980	2,414	527	21.8	1.0
Bahrain	1981	351	112	32.0	3.1
Kuwait	1980	1,358	576	42.4	2.0
Israel	1983	3,350	1,422	42.5	0.9
UAE	1975	558	356	63.9	3.8

Source: UN, 1988.

Notes:

(1) Countries in which the percentage of the population of foreign-born with respect to the total population is over 10% and the numbers exceed 100,000.

(2) * = By nationality, not by country of origin.

Table 2 Number of Immigrants to Countries Traditionally Accepting Immigrants

(1000 persons, %)

	1961-65	1966-70	1971-75	1976-80	1981-85
United States					
Total no.	1,450	1,871	1,936	2,557	2,864
Percentage from Asia	7.8	17.8	31.6	40.0	48.0
Canada					
Total no.	499	911	835	606	427
Percentage from Asia	6.2	12.6	24.8	38.3	41.7
Australia					
Total no.	594	807	495	403	450
Percentage from Asia	4.0	8.3	15.6	32.2	36.0
New Zealand					
Total no.	170	159	139	61	55
Percentage from Asia	2.8	3.3	3.1	10.9	5.7

Source: UN, 1990.

Note: These figures are the numbers granted permanent residency. "Asia" here is according to the U.N. classification, that is, including Iran, Jordan, and other Middle Eastern countries.

Table 3 Foreign-born Population in Major European Countries Accepting Foreign Workers

	Year	Foreign-born Population (1000 persons)					Asia's share (2)/(1)
		Total no. (1)	From Asia		Others	(%)	
			(2)	Turkey			
Belgium	1970	696.3	26.9	20.3	6.6	(24.5)	3.9
	1981	878.6	78.4	63.6	14.8	(18.9)	8.9
	1985	897.6	72.5	72.5	0.0	(0.0)	8.1
France	1975	3,442.4	104.5	50.9	53.6	(51.3)	3.0
	1982	3,680.1	293.8	123.5	170.3	(58.0)	8.0
	1985	3,462.2	146.1	146.1	0.0	(0.0)	4.2
West Germany	1974	4,127.4	1,141.7	1,027.8	113.9	(10.0)	27.7
	1980	4,453.3	1,462.4	1,462.4	0.0	(0.0)	32.8
	1985	4,378.9	1,697.4	1,401.9	295.5	(17.4)	38.8
Holland	1974	316.3	74.7	62.6	12.1	(16.2)	23.6
	1980	520.2	156.8	138.5	18.3	(11.7)	30.1
	1985	552.6	187.8	156.4	31.4	(16.7)	34.0
Sweden	1975	409.9	14.9	7.1	7.8	(52.3)	3.6
	1980	421.7	36.3	18.3	18.0	(49.6)	8.6
	1985	388.6	49.9	21.5	28.4	(56.9)	12.8
Switzerland	1974	1,064.5	26.6	26.6	0.0	(0.0)	2.5
	1980	892.8	38.1	38.1	0.0	(0.0)	4.3
	1985	939.7	50.9	50.9	0.0	(0.0)	5.4
Total of six countries	1970	10,056.8	1,389.3	1,195.3	194.0	(14.0)	13.8
	1980	10,846.7	2,065.8	1,844.4	221.4	(10.7)	19.0
	1985	10,619.6	2,204.6	1,849.3	355.3	(16.1)	20.8

Source: UN, 1990.

Note: Totals computed as such even when year periods differ for certain countries.

Table 4 Foreign Workers in Arab Countries (1980)

(1000 persons, %)

Receiving Country	Sending Country	Total	Arab countries				Asian countries				Others	
			Egypt	Yemen	Jordan	Others	Subtotal	Pakistan	India	Others		Subtotal
Saudi Arabia		1,023	155	325	140	201	821	30	29	49	153	49
Libya		546	250	—	15	112	377	65	26	27	118	51
UAE		411	18	5	19	47	89	137	110	21	268	54
Kuwait		376	82	3	54	102	241	34	45	10	89	46
Iraq		267	223	—	10	10	243	8	2	6	16	8
Oman		143	5	—	1	3	9	32	85	12	129	5
Qatar		81	6	2	8	7	23	21	12	5	38	20
Bahrain		68	3	1	2	3	9	26	12	11	49	10
Jordan		77	56	—	—	3	59	2	4	8	14	4
Yemen		18	4	—	2	4	10	3	2	1	6	2
Total		3,010	803	336	251	491	1,881	358	327	195	880	249
		(100.0)	(26.7)	(11.2)	(8.3)	(16.3)	(62.5)	(11.9)	(10.9)	(6.5)	(29.2)	(8.3)

Source: R. Appleyard ed., 1988.

Table 5 Population and Socioeconomic Indices of Asian Countries

	(1) Population indices						(2) Socioeconomic Indices			
	Population (in millions) (1989)	Population density (persons /km ²) (1989)	Annual growth rate (%) (1980 - 1989)	Ratio of working -age population (15 to 64 aged, %) (1989)	Ratio of working -age population (15 to 64 aged, %) (2025)	TFR (1989)	Per capita GNP (US\$) (1989)	Industriali- zation ratio (%) (1989)	Rate of urbanization (%) (1989)	Rate of adult illiteracy (%) (1985)
Bangladesh	111	769	2.6	52.7	69.1	4.9	180	7	16	67
China	1,114	117	1.4	66.9	66.4	2.5	350	34	53	31
India	833	253	2.1	58.6	68.4	4.1	340	18	27	57
Pakistan	110	138	3.2	52.2	62.4	6.6	370	16	32	70
Sri Lanka	17	255	1.5	62.3	66.0	2.5	430	16	21	13
Indonesia	178	94	2.1	59.3	68.2	3.3	500	17	30	26
Philippines	60	200	2.5	56.4	68.4	3.9	710	22	42	14
Thailand	55	108	1.9	61.9	68.2	2.5	1,220	21	22	9
Malaysia	17	53	2.6	58.2	67.4	3.7	2,160	24	42	27
m. Reference										
Japan	123	326	0.6	69.3	58.8	1.7	23,810	30	77	*
United States	249	27	1.0	66.1	61.1	1.9	20,910	17	75	*
Canada	26	3	0.9	67.9	60.7	1.7	19,030	13	77	*
West Germany	62	249	0.0	69.5	58.8	1.4	20,440	32	86	*
Australia	17	2	1.4	66.9	63.0	1.9	14,360	15	86	*

Source: World Bank, *World Development Report* 1991.

Notes:

▲ = Percentage of value added for manufacturing in GDP.

* = Under 5%.

Table 6 Advantages and Disadvantages for Countries of Origin and Host Countries

Advantages	Disadvantages
<p>For countries of origin</p> <ul style="list-style-type: none"> Relief of population pressure Alleviation of unemployment and underemployment problems Remittances Transfer of technology (through returned workers) With the condition that job opportunities for returnees are secured in their country <p style="margin-left: 150px;">} Reduction of social instability</p> <p style="margin-left: 150px;">{ Contribution to improvement of the international balance of payments Improvement of standard of living of family of migrant worker</p>	<p>For countries of origin</p> <ul style="list-style-type: none"> Drain of human resources (especially skilled workers and technicians) "Brain drain" → Delay of domestic economic development Waste of costs spent on training workers Problems of treatment of citizens in country of immigration Poor living conditions Poor working conditions (Low salaries, long working hours, dangerous work, etc.) Insufficient social security <p>For emigrant workers</p> <ul style="list-style-type: none"> Excessive cost burden (expenses for travel and go-betweens) → Debt (mortgaging of farm land or other private assets) Destruction of family (separation of family, economical difficulties, etc.)
<p>For host countries</p> <ul style="list-style-type: none"> Increase in supply of labor Alleviation of manpower shortage (contribution to stability of prices and economic growth) Supplementation of labor force in absolute numbers Supplementation of insufficient young labor force Filling of jobs which host country citizens shun Savings on costs for training personnel Cultural interchanges → Stimulation through influx of foreign cultures 	<p>For host countries</p> <ul style="list-style-type: none"> Preservation of low wages and borderline industries (delay in industrial restructuring) Worsening or delay of improvements to working conditions for own citizens Competition with own citizens for jobs during recessions ← Forced repatriation becomes target of international criticism Increased social costs Social instability and security and order problems due to creation of slums and cultural friction. Increased social security expenses (for maintaining public health, education, etc.)

Source: Prepared by author.

Disadvantages

Table 7 Trends in Illegal Workers in Japan

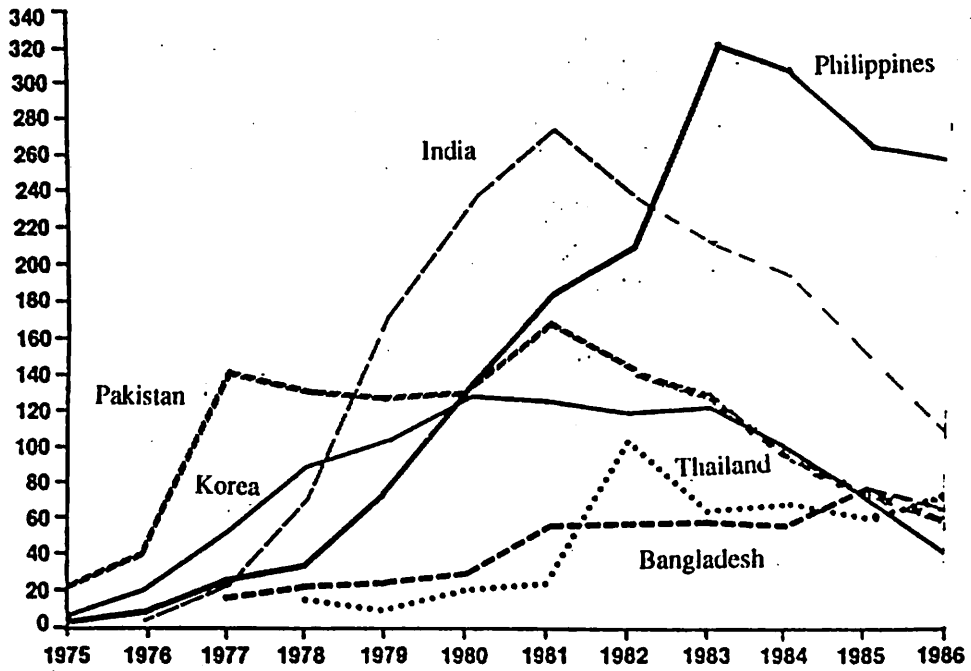
	1983	1984	1985	1986	1987	1988	1989	1990
Cases of violations of the Immigration Control Act								
Total number	4,768	6,830	7,653	10,573	14,129	17,854	22,626	36,264
Illegal entrance	443	513	460	597	542	616	2,349	2,320
Illegal disembarkation	59	100	123	124	134	149	258	357
Activities violating status (1)	823	357	218	349	372	839	696	751
Illegal remaining after term of visa involving activities violating status (2)	3,115	5,569	6,592	9,215	12,792	15,970	19,105	32,647
Violations of criminal laws, etc.	1,516	4,426	5,411	7,782	10,935	13,475	15,912	29,133
Violations of criminal laws, etc.	328	291	260	288	289	280	218	189
Illegal workers (1) + (2)	2,339	4,783	5,629	8,131	11,307	14,314	16,608	29,884
Males	200	350	687	2,186	4,289	8,929	11,791	24,176
Females	2,139	4,433	4,942	5,945	7,018	5,385	4,817	5,708
Breakdown by country								
Bangladesh	—	—	1	58	438	2,942	2,277	5,925
Korea	114	61	76	119	208	1,033	3,129	5,534
Malaysia	—	—	—	—	18	279	1,865	4,465
Philippines	1,041	2,983	3,927	6,297	8,027	5,386	3,740	4,042
Pakistan	7	3	36	196	905	2,497	3,170	3,886
Thailand	557	1,132	1,073	990	1,067	1,388	1,144	1,450
China	528	466	427	356	494	502	588	1,142
Others	92	138	89	115	150	287	695	3,440
Type of employment								
Factory workers	—	—	—	557	1,101	3,651	5,019	8,234
Construction workers	—	—	—	901	1,863	3,838	5,653	6,774
Bar hostesses	1,651	3,557	4,108	5,002	6,076	4,399	3,225	2,602
Odd jobs	—	—	—	—	603	885	851	1,213
Shop workers	—	—	—	—	—	388	365	393
Others	688	1,226	1,521	1,671	1,664	1,153	1,495	2,321

Source: Immigration Control Bureau, Ministry of Justice

Notes: The total number of illegal workers in 1990 includes 8,347 persons whose type of employment was unknown.

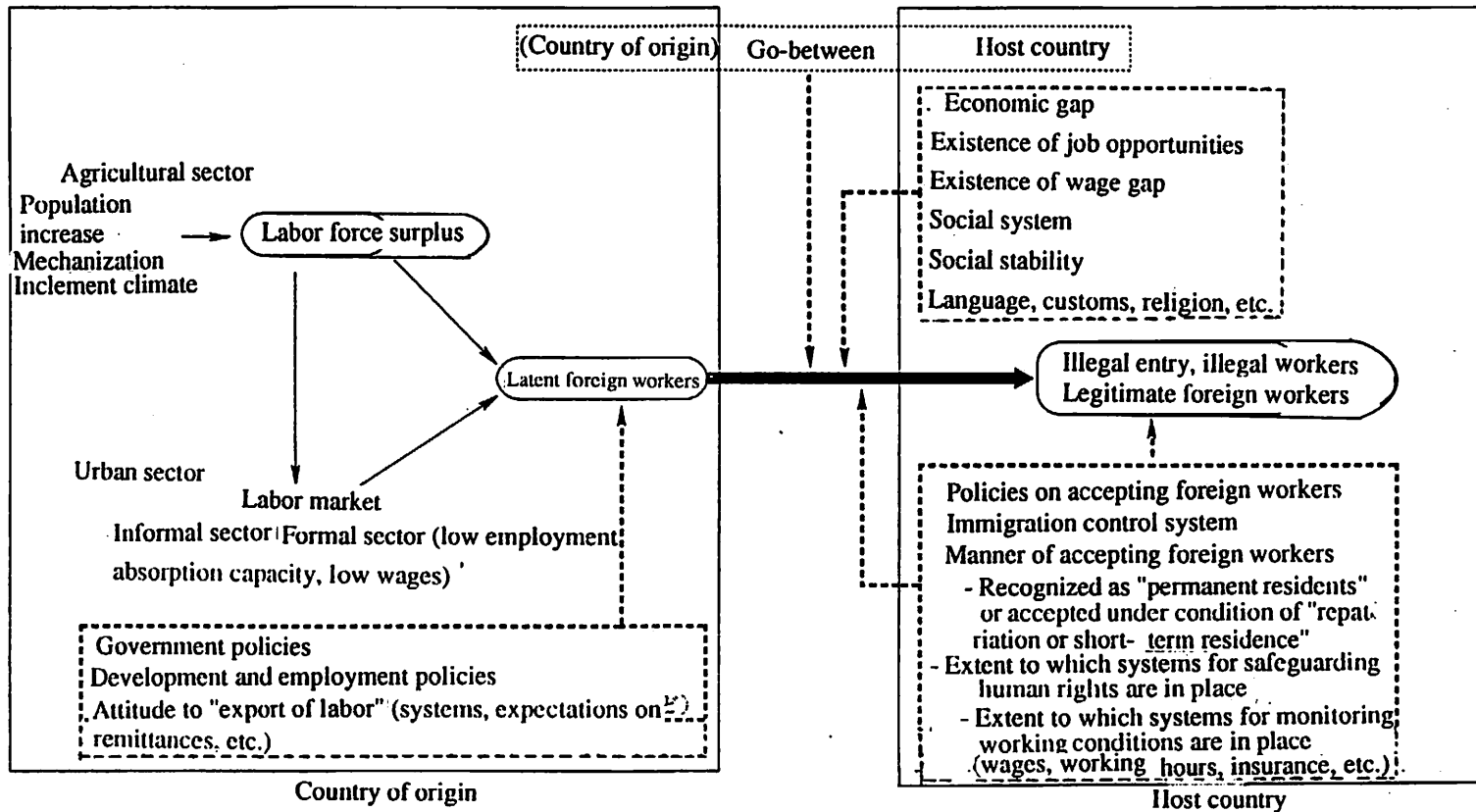
Figure 1 Outflow of Migrant Workers From Asian Countries to the Middle East

(1000 persons)



Sources: UN, 1990 and Ministry of Labor, 1991.

Figure 2 Background of International Labor Migration



Source: Prepared by author.

Chapter Three

Labor Dispatch Mechanisms in Asian Countries

1 China

2 Thailand

3 Philippines

4 Indonesia

5 Malaysia

6 Pakistan

7 Bangladesh

8 Sri Lanka

Yasuko Hayase Chief, Planning and Analysis Statistics Section,
Institute of Developing Economies

Hiroaki Washio Lecturer, Koryo Women's College

Tomomi Otsuka Assistant Professor, College of Humanities and
Sciences, Nihon University

1 China

I. Overseas Dispatch Mechanism



II. Basic Statistics

- * Number of contracts for foreign contracted projects : 4,222 (1989)
- * Number of labor service cooperation contracts : 6,412 (1989)
- * Number of dispatched workers overseas : 67,006 (1989)
 - Including - For contracted projects : 23,951
 - For labor service cooperation : 41,867
 - Others : 1,248
- * Amount of contracts in 1989 by country (top ten for foreign contracted projects and labor service cooperation) : U.S.S.R., Hong Kong, U.S.A., Japan, Iraq, Iran, Macao, Singapore, East Germany, Kuwait

For details on the above statistics, refer to Tables 1 to 3 at the end of this section.

(1) Trends and characteristics of labor migration policies

After the New China was established in 1949, both international migration and internal migration from rural to urban areas has been restricted under a rigid population registration system. As a result, international movement on a personal base has been virtually zero, except for limited numbers moving to such places as Hong Kong for example during the period of economic difficulties around 1960. Emigration of individuals began with the promulgation of the "Chinese Civil Emigration and Immigration Law" at the end of 1985. Passports were issued more freely, inciting an emigration boom among the people, and the numbers of emigrants to the United States, Canada, Australia, Japan and other countries are increasing rapidly. Since 1950, China had been offering economic, technological and military aids to developing countries in Asia and Africa with the chief purpose of supporting "struggles for liberation". After China adopted a more open policy to foreign countries at the end of 1976, aid to developing countries has decreased, economic cooperation and foreign investments have been actively sought for to promote the economic development of China, and the Chinese government has taken up contracting for foreign construction projects and dispatching workers overseas as a business.

From 1979 to 1989, China's foreign contracted projects and labor service cooperation involved 133 countries and regions, with a total number of 10,634 contracts, a total contract amount of 12,807 million dollars, a turnover of 7,777 million dollars, and a total of 360,000 workers dispatched. As can be seen from Table 1, foreign contracted projects and labor service cooperation increased yearly, and despite the economically difficult situation after the Tien An Men incident in 1989, the number of contracts was 3,100, up 45.8% from 1988, for a total amount of 2,170 million dollars, up 1.8% from 1988, and there were some 70,000 Chinese workers overseas. Recently, the previously predominant contracts for construction of roads and housing have been decreasing, while those requiring advance technological standards such as for petroleum, chemical engineering, mining and geological surveying are increasing. Aside from cooks, sailors, medical personnel (male nurses), construction workers, and agriculture and industry personnel, the 70,000 Chinese working overseas in 1989 also included corporate managers, designers, computer engineers, and others requiring advanced levels of technology.

(2) Countries and regions to which workers are dispatched and contents of contract operations

The main countries to which China dispatches workers include those countries to which China has already for some time been sending workers and with which it has been concluding project contracts, such as Hong Kong and other neighboring Asian countries, South Asian, West Asian (Middle East petroleum-producing countries), and North African countries, as well as more recently the Soviet Union, the United States and Western European countries (Table 3). China first started dispatching workers in substantial numbers in 1979, which was the time of the second oil shock, and Chinese contracted projects and labor service cooperation increased greatly with the construction boom in Middle East petroleum-producing countries. From the end of the 1970s and in the 1980s, European countries and the United States were restricting the influx of foreign workers, so there were few cases of large-scale contracted projects and labor service cooperation with these countries -- most cases involving workers for joint ventures such as Chinese cuisine cooks, and people possessing such traditional skills as martial arts, qigong, acupuncture, moxibustion, and handicrafts. Recently, however, the numbers of male nurses and agriculture and industry workers being sent to the United States are increasing. With improvements in Sino-Soviet relations, contracted projects and labor service cooperation with the Soviet Union has recently been increasing rapidly. The objects of the contracts are diverse, including lumbering, agricultural and industrial production, road and railroad construction, and various service industries. A total of 20,000 workers have so far been dispatched to the Soviet Union, and in 1989 the Heilongjiang International Economic & Technical Cooperation Corporation dispatched 13,000 workers.

As for the dispatch of workers to Japan, since Japan does not accept unskilled foreign workers, there is a move to send workers to Japan on "trainee visas". There are also cases in which Chinese workers obtain "pre-college student visas" and come to Japan on the pretext of studying Japanese but are actually working.

(3) Labor Dispatch Mechanisms

As stated previously, the dispatch or movement of Chinese workers is conducted via the official route through companies (corporations), and on a personal base for study purposes through connections with Chinese immigrants, relations or acquaintances overseas. Accurate statistics cannot be obtained on this second category, so here we will discuss mainly the official route.

After 1979, China established a number of corporations to handle construction contracts

and to dispatch workers. These corporations exist in many forms, some being affiliated to administrative branches of the central government (ministries and agencies), others under the direction of regional provincial governments, and so on (Table 2). In 1980, the Ministry of China's Foreign Economic Relations and Trade was notified by the State Council that it was to supervise and inspect these corporations, conduct market surveys, prepare plans and policies and oversee the affairs of foreign contracted projects and labor service cooperation projects, but in reality the management system is not wholly unified (Figure 1).

References

1. Almanac of China's Foreign Economic Relations and Trade, 1985 - 1991.
2. Statistical Yearbook of China, 1990
3. Heilongjiang Economic Statistical Yearbook, 1990
4. Tadao Marukawa, "Chinese Labor Export" (Ohara Social Issues Center magazine No. 389/1991.4)
5. You Shen Xun, "Kakyo", Kodansha Gendai Shinsho

Table 1 Numbers of contracts and total amount of contracts signed for China's foreign contracted projects and labor service cooperation (in units of 100 million dollars) and number of dispatched workers residing overseas

Year	Number of countries and regions	Total		Number of dispatched workers residing overseas	Contracted projects		Labor service cooperation	
		Number of contracts	Amount of contracts		Number of contracts	Amount of contracts	Number of contracts	Amount of contracts
Total	139	15,809	154.10		5,145	128.06	10,664	26.04
1976-78	2	7	0.02		6	0.02	1	
1979	8	36	0.51		24	0.33	12	0.18
1980	16	172	1.85		138	1.40	34	0.45
1981	36	363	5.04		250	2.76	113	2.28
1982	38	314	5.07		195	3.46	119	1.61
1983	40	460	9.24	30,791	280	7.99	180	1.25
1984	52	740	17.37	49,975	344	15.38	396	1.99
1985	71	923	12.65	56,264	465	11.16	458	1.49
1986	83	944	13.59	47,062	486	11.89	458	1.70
1987	95	1,449	18.89	64,145	616	16.48	833	2.41
1988	103	2,126	21.72	70,884	642	18.13	1,484	3.59
1989	124	3,100	22.12	67,006	776	17.81	2,324	4.31
1990	122	5,175	26.03	52,906	920	21.25	4,255	4.78

Sources: State Statistical Bureau, "Statistical Yearbook of China, 1990", p. 657
 Almanac of China's Foreign Economic Relations and Trade 1984 - 1991.

Table 2 Total amount of contracts signed for China's foreign contracted projects and labor service cooperation in 1989, by corporations

Name	Number of contracts	Amount of contracts (in US\$ 10,000s)	Number of Chinese workers dispatched overseas			
			Total	Contracted projects	Labor service cooperation	Others
Total	3,100	221,241	67,006	23,951	41,867	1,248
China State Construction Engineering Corporation	228	31,688	8,671	6,606	1,411	654
China Civil Engineering Construction Corporation	91	6,375	2,311	982	1,005	324
China Road and Bridge Engineering Company	19	9,953	2,132	1,722	360	
China Harbours Engineering Company	45	13,414	2,521	1,342	1,092	87
China National Complete Plant Corporation	73	12,666	1,048	364	684	
China Water and Power International Corporation	18	5,712	2,168	2,123	45	
China Metallurgical Construction Corporation	22	12,509	1,939	932	1,007	
China International Economic & Technical Cooperation Company for Building Material Industry	12	285	1,516	132	1,384	
China Marine & Seaman Service Corporation	95	1,238	2,037		2,037	
China Tianjin I.E.T.C.C.	103	3,627	1,906	205	1,701	
China Inner Mongolia I.E.T.C.C.	27	5,767	1,956	119	1,837	
China Dalian I.E.T.C.C.	49	1,842	1,019	475	544	
China Jilin I.E.T.C.C.	49	1,954	1,132	310	761	
China Shanghai I.E.T.C.C.	40	7,196	2,301	64	2,237	
China Jiangsu I.E.T.C.C.	55	3,663	3,662	771	2,846	
China Fujian I.E.T.C.C.	315	16,723	8,276	142	8,134	
China Guangdong I.E.T.C.C.	90	9,578	2,111	209	1,902	
Guangdong Manpower External Service Corporation	507	4,192	4,259		4,259	
China Sichuan I.E.T.C.C.	33	4,359	2,064	1,390	674	

Source: "Almanac of China's Foreign Economic Relations and Trade 1990/91", pp. 622 - 630.

Notes: The above corporations are corporations which have dispatched 1000 or more workers overseas for contracted projects or for labor services only. The totals, however, include all corporations.

I.E.T.C.C. = International Economic & Technical Cooperation Corporation

Table 3 Total amount of contracts signed for China's foreign contracted projects and labor service cooperation by countries and regions, 1976-89.

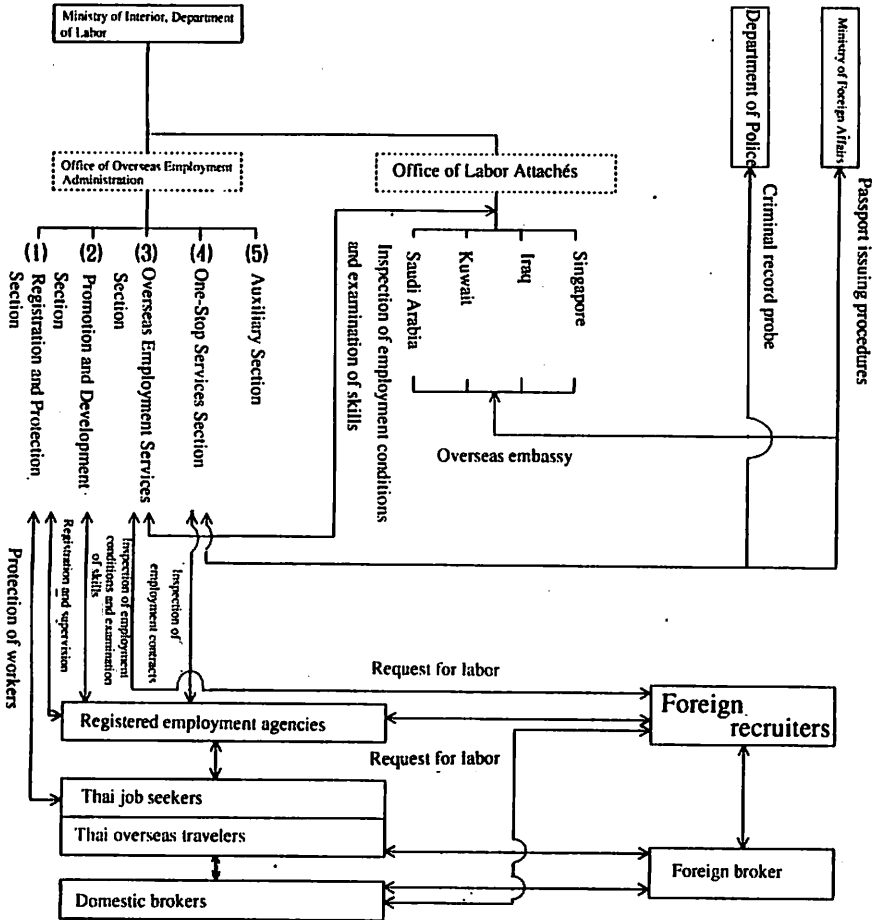
Country/Region	Total	Contracted projects	Labor service cooperation
Total	1,280,696	1,068,106	212,590
1976 - 88	1,059,455	890,001	169,454
1989	221,241	178,105	43,136
Hong Kong	39,188	32,045	7,143
Macao	21,069	18,701	2,368
Japan	5,296	26	5,270
Nepal	4,517	4,517	
Singapore	2,662	670	1,992
Thailand	2,358	2,242	116
Philippines	3,768	3,728	40
Pakistan	11,635	11,414	221
Bangladesh	11,493	11,493	
Iraq	13,053	9,469	3,584
Kuwait	2,506	1,299	1,207
Iran	5,031	2,243	2,788
People's Democratic Republic of Yemen	2,019	2,015	4
Malaysia	1,226	1,225	1
Sudan	5,043	4,460	583
Algeria	3,035	3,035	
Uganda	1,727	1,727	
Rwanda	2,732	2,655	77
Mali	4,003	4,003	
Libya	3,879	3,543	336
Kenya	2,369	2,369	
North Korea	1,048	1,048	
Zimbabwe	4,703	4,703	
France	236		236
Italy	36	23	13
United Kingdom	66		66
U.S.S.R.	16,466	8,866	7,600
East Germany	1,899		1,899
U.S.A.	8,528	3,194	5,334
Canada	352	204	148

Source: "Almanac of China's Foreign Economic Relations and Trade 1990/91", pp. 598 - 607.

Notes: Countries for which contracts amounted to under 10 million dollars not included, except for developed countries, which are included for reference purposes. Totals include all target countries.

2 Thailand

I. Overseas Dispatch Mechanism



II. Dispatch Situation

Table 1 Trends in overseas workers (Units: persons)

Year	1976-77	1978-79	1980-81	1982-83	1984-85	1986-87
Total	4,918	25,282	48,224	177,001	144,706	171,174
Middle East (Saudi Arabia)	4,918	22,737	45,399	169,568	129,089	148,967
	3,182	16,159	19,851	140,226	91,059	106,784
Asia	—	2,411	2,801	6,975	13,855	17,980
(Singapore)	—	2,411	2,317	3,412	6,308	7,500
(Japan)	—	—	150	193	684	1,974

Source: Bank of Thailand. "Asia" refers to Brunei, Indonesia, Malaysia, Singapore and Japan.

Table 2 Remittances from abroad (Units: 1,000,000 bahts)

Year	1976-77	1978-79	1980-81	1982-83	1984-85	1986-87
Total	1,396.7	5,929.9	18,131.2	33,679.0	44,913.5	42,495.8
Middle East	102.7	1,807.7	10,987.5	25,994.4	29,405.0	20,148.8
Japan	—	—	302.4	629.8	1,150.1	2,366.1
United States	958.9	3,031.4	4,523.4	4,292.4	9,916.5	13,505.5

Source: Bank of Thailand (remittances are not all from overseas workers)

Table 3 Number of Thais found overstaying visa periods in Japan

Year	1985	1986	1987	1988	1989	1990
Total	1,073	990	1,067	1,388	1,144	1,450
(Males)	(120)	(164)	(290)	(369)	(369)	(661)

Source: Ministry of Justice

(1) Overseas Dispatch Mechanism

① Basic administrative stance

The Thai government is not necessarily actively promoting the dispatch of Thai workers overseas. It takes the position that this is basically an issue of freedom for the workers, and one pertaining to the business of recruiters. Citizens are in principle free to leave and enter the country, and it is not difficult to leave the country in response to foreign demand. As a result, over 100,000 workers left for overseas jobs before the government took any action on this issue. However, the government believes that it has the responsibility to supervise and protect Thai citizens so that they do not cause trouble, behave illegally, get cheated, become disadvantaged or exposed to danger abroad, and as such administrative measures are necessary. Furthermore, if the government receives direct requests from recruiters to find workers, it cooperates fully whether the request is from governments or private organizations, and willingly conducts negotiations on for example the expansion of the number of Thai workers which can be accepted in the country involved in order to make overseas employment advantageous for its citizens. The government is fully aware that remittances from its citizens working abroad are a great plus for the Thai economy, and a plus for the national treasury through various forms of commissions and indirect taxes. However, the fundamental principle of the Thai government is that the issue of overseas workers is strictly a private sector affair.

② Public dispatch mechanism

The administrative organization managing overseas employment is the "Office of Overseas Employment Administration" of Department of Labor Ministry of Interior. In addition, labor officer have been set up in Thai embassies in several foreign countries. The Office of Overseas Employment Administration consists of the following sections: (1) Registration and Protection Section (a. supervision of private employment agencies, b. registration and supervision of employment agencies, c. examination of complaints from job seekers, d. assistance on labor suits); (2) Promotion and Development Section (a. establishment of criteria for employment and labor conditions for labor dispatchers and overseas job seekers, b. certification of workers' skill tests, c. public relations, d. preparation of statistics and reports); (3) Overseas Employment Services Section (a. contacts and coordination with labor attachés abroad, b. selection and dispatch of workers in response to requests for workers directed to the Thai government, c. protection of overseas workers); (4) One Stop Services Section (a. inspection of employment contracts, b. contacts and coordination with Ministry of Foreign Affairs and Department of Police, (5) Auxiliary Section (a. general affairs, accounting, budgeting, management of goods, other related affairs).

③ Private dispatch mechanism

In response to the frequent incidents of trouble involving overseas employment at the beginning of the 1980s, in 1985 the Thai government established the Employment Agency and Job Seeker Protection Act. This act prohibited the direct recruitment of Thai workers by foreigners, and required recruiting to be conducted through the Department of Labor or registered employment agencies. The procedures for the overseas dispatch of workers are as follows:

- Step 1 Through a registered employment agency, foreign recruiters must present to the Department of Labor a "demand letter" indicating employment conditions and the qualification conditions of the workers it seeks, as well as the necessary documentation, such as employment contracts, etc.
- Step 2 All workers planning to work overseas must pass a skill tests of the Skills Examination Center or of approved training centers. In addition, they must all undergo medical examinations at medical facilities designated by the Department of Labor.
- Step 3 Employment agencies must have workers who have received approval for overseas employment undergo orientation prior to leaving, offered by the Department of Labor. Workers who have completed orientation may sign employment contracts.
- Step 4 Workers dispatched overseas following the above procedures are registered with the Overseas Worker's Welfare Fund and are exempt from foreign travel taxes. Employers must pay allotted charges to the Overseas Worker's Welfare Fund according to the place where the workers are dispatched and the number of workers employed.
- Step 5 Workers must present a notification of overseas employment at the Labour Control Office upon departure at the airport. Here a check is conducted on whether or not the said worker is a legitimate overseas worker. It is said that the number of overseas workers which can be detected with the above procedures is only one half or one third of the actual number of overseas workers.

(2) Situation of Overseas Workers

Full-fledged international migration of Thai workers began at the time of the second oil shock in 1979. This labor migration was different in character to the "brain drain" in the past and to the labor migration due to mobilization at the time of the Korean and Vietnam wars, and was a totally new experience for Thailand. Because of this, no systems were set in place at the beginning, whether by the government, recruiters, job seekers or employment agencies. The

result was that a number of problems arose both domestically and internationally. To deal with this situation, the Thai government began establishing systems for international labor migration, aiming at orderly overseas employment. This situation passed through the four stages described below.

① Stage 1

During the construction boom generated on the backdrop of the oil money of Middle East petroleum-producing countries, Japanese companies who had received orders for various works recruited Thai workers possessing a certain amount of professional experience and skills, including welders, electricians, plumbers, scaffolding workers, plasterers, truck drivers, crane operators, workers who could lift weights of 100 kilograms, cooks, bellboys, waiters, and so on, and dispatched them to Saudi Arabia, the United Arab Emirates, etc. This was the start of the international migration of Thai labor. This satisfied both workers, who were guaranteed high pay and round-trip travel expenses, and employers, who had found skilled workers, and the overseas dispatch of workers proceeded smoothly. During the first two years, shortages of the above workers arose in many parts of Thailand, and talk of the success of overseas labor spread widely among the Thai public.

② Stage 2

This example of the dispatch of Thai workers to the Middle East was successful for both workers and employers. In the next stage, however, insufficient skills of the dispatched workers, illegal doings of dispatch agencies, violations of employment contracts at the place of dispatch by both workers and employers, and other problems arose, developing into international issues entangling governments. Because of the limited number of skilled workers in Thailand at the time, human resources were soon drained, and many calculating employment agencies aiming at profits first began sending large numbers of farm workers with no particular skills to the Middle East masked as skilled workers.

③ Stage 3

Because of this situation, the Thai government set up labor attachés at its embassies in Saudi Arabia and the other major countries to which Thai workers were being dispatched to deal with the international problems involving foreign workers and to protect Thai citizens. The mission of these labor attachés was to deal with the complaints from governments of countries accepting Thai workers and with the cases of forced repatriation of unqualified workers, as well as to protect dispatched workers from being cheated regarding labor conditions. Domestically, an administrative organization was established with the purpose of supervision and prevention of various recruiting problems. In concrete terms, the Office of Overseas

Employment Administration was established in 1982, various related regulations were later instituted, and in 1985 the Employment Agency and Job Seeker Protection Act was decreed.

④ Stage 4

The fourth stage in the overseas dispatch of Thai workers was reached at the time of the oil glut in 1986. With the crash of oil prices, construction projects in Middle Eastern countries were heavily cut back and employment opportunities dwindled, so large numbers of Thai workers who had lost their jobs returned to Thailand and many searched for work in other areas of the world. It was at this time that Thai workers began working in Singapore and Japan. The number of Thai workers in Middle Eastern countries is still overwhelmingly higher than in other countries, but a new stage has begun in that there is now a diversification in the countries in which Thai workers are seeking employment.

(3) Advantages and Disadvantages of Overseas Employment of Workers

The advantages and disadvantages involved in the overseas employment of workers must be examined from various different perspectives. First, the vast majority of overseas Thai workers are employed in construction and civil engineering, and their work can be divided into work requiring some skill and unskilled labor. As there is an inadequate supply of skilled workers on the domestic Thai labor market, the dispatch of skilled workers overseas amplifies the shortage of manpower. Most unskilled laborers are farmers, so their dispatch affects the agricultural society. They have sold their land or borrowed money from relatives to cover employment agency fees and travel expenses. As the main force of labor in agricultural families has gone overseas, the shortage of manpower is leading to the inability to conduct farm work in a timely fashion, resulting in a drop in productivity and ravaged fields. Furthermore, mobility increases due to the sale of farm land, and successful overseas workers purchase new farming land, houses and electrical appliances and other durable goods. There are some agricultural villages which have become prosperous not from agricultural production but from villagers taking turns working overseas. For the agricultural society of Thailand, which barring any mishaps produces excessive quantities of food, overseas employment generally leads to great improvements in living standards.

In the field of transportation and services, such as truck drivers and cooks, a lack of workers was experienced in urban areas at first, but the supply soon grew and this problem has now been resolved. In these fields, overseas employment has increased national human resources and been a plus for the economy.

In addition, remittances from overseas workers grew abruptly in the 1980s, compensating

for trade deficits and greatly contributing to the acquisition of foreign currency. Remitted funds are often allocated to the purchase of real estate, household appliances, furniture, cars, etc., contributing to the expansion of the consumer market and increased indirect taxes for the government.

The problem arises when overseas workers are injured or cheated by malicious agents. Such misfortunes affect not only the workers but their families as well, and the number of such cases has been increasing recently.

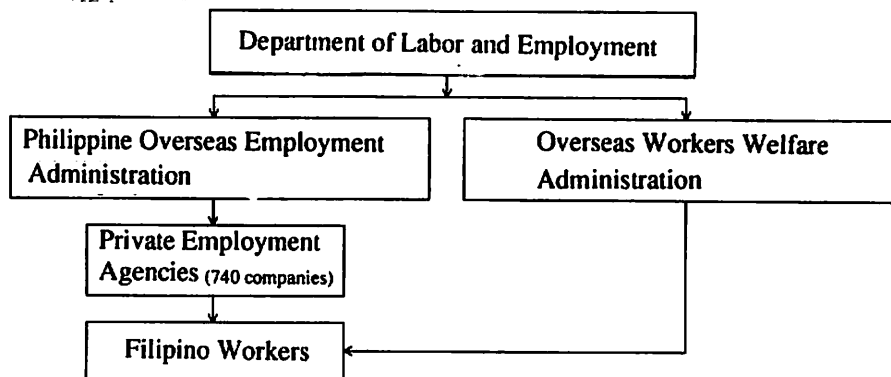
(4) How Japan is Concerned

Thai workers in Japan have become conspicuous since 1986. As pointed out above, this is due to the reductions in employment opportunities in the Middle East caused by the oil glut, but the substantial increase in salary levels in Japan due to the international adjustment of currencies in 1985 was also a factor. However, Japan does not authorize the employment of unskilled foreign workers and as the skilled Thai workers working in the Middle East are classified as unskilled workers by Japanese levels, they cannot work legally in Japan. Because of this, the vast majority of Thai workers in Japan are working illegally.

Aside from these illegal Thai workers, 5,199 Thai citizens entered Japan in 1990 to work as trainees at companies, etc.

3 Philippines

I. Overseas Dispatch Mechanism



II. Dispatch Situation

Table 1 The Outflow of Filipino Workers Abroad

Year	No. workers on land-based	No. workers on sea-based	Total no. workers	Total Amount of remittances (in millions of dollars)
1975	12,501	23,534	36,035	—
1976	19,221	28,614	47,835	—
1977	36,676	33,699	70,375	162.90
1978	50,961	37,280	88,241	290.85
1979	92,519	44,818	137,337	364.74
1980	157,394	57,196	214,590	421.27
1981	210,936	55,307	266,243	545.87
1982	250,115	64,169	314,284	810.48
1983	380,263	53,944	434,207	944.45
1984	371,065	54,016	425,081	658.89
1985	337,754	51,446	389,200	680.44
1986	357,687	56,774	414,461	791.91
1987	425,881	70,973	496,854	815.70
1988	381,892	95,872	477,764	—
1989	407,974	115,010	522,984	—

Source: Philippine Overseas Administration

Table 2 Regions to which workers are dispatched (1988, %)

Africa	0.51
Asia	24.06
Europe	1.98
Middle East	69.33
Oceania	0.36
America	2.05
Trust territories	1.70

Source: Same as Table 1

Table 3 Occupations of overseas workers (1987, %)

Professional/Technical	17.46
Entertainers	8.90
Managerial	0.39
Clerical	3.74
Sales	1.00
Service	33.94
Agricultural	0.63
Production	33.94

Source: Same as Table 1

(1) Overseas Dispatch Mechanism

There are four bodies actively involved in the overseas dispatch of workers in the Philippines: (1) the Department of Labor and Employment; (2) the Philippine Overseas Employment Administration; (3) the Overseas Workers Welfare Administration; and (4) private employment agencies.

Of these, the Philippine Overseas Employment Administration is a public organization directly involved in the overseas dispatch of workers. It was established in 1982 through the consolidation of three governmental agencies, the Overseas Employment Development Board, the Bureau of Employment Service, and the National Seamen Board. Its goals include: (1) the development and promotion of overseas employment opportunities in cooperation with public or private organizations; (2) the creation of an environment in which legal and responsible private dispatch organizations can conduct ongoing activities; and (3) the protection of dispatched workers and their families.

For this purpose, the Philippine Overseas Employment Administration was granted broad powers concerning overseas employment activities, including: (1) authorization, sanctioning, supervision and investigation of private employment agencies; (2) advanced approval of private employment agency representatives; (3) certification of professional skills and guidance of workers; and (4) the development and promotion of overseas employment.

On the other hand, the Overseas Workers Welfare Administration conducts various activities for the support of workers dispatched overseas and their families, both before their departure and after their return to the Philippines. These activities span a wide range, including: (1) guidance for workers prior to departure; (2) evacuation of workers at times of war or emergency; (3) financing for workers prior to departure; (4) life and injury insurance; (5) scholarship funds for workers and their families; and (6) financing for family assistance.

Private employment agencies are involved in the actual business of overseas employment, and procedures for workers desiring to work overseas are conducted primarily through private employment agencies. In the Philippines, employment agencies must receive authorization from the Philippine Overseas Employment Administration in order to do business. In addition, foreign employment agencies wishing to employ Filipino workers must be duly sanctioned by the Philippine Overseas Employment Administration. As of 1986, 740 private employment agencies had received authorization, and 2,941 foreign employment agencies had received sanctioning.

Though the Philippine Overseas Employment Administration strictly regulates the dispatch of workers overseas, the business of overseas dispatch is basically conducted through private initiative. During the time of the Bureau of Employment Service, the predecessor of the Philippine Overseas Employment Administration, the government tried to exclude private agen-

cies from the process. However, this policy did not bear fruit because of opposition from the private sector and the fact that the business of foreign dispatch exceeded the limits of capabilities of the Bureau of Employment Service, and the government was forced to recognize the activities of private dispatch companies. The private sector still dominates the overseas dispatch business today.

(2) Outflow of Workers

The history of the outflow of Filipino workers abroad is long, beginning at the start of the 20th century. At first this involved mainly plantation and agricultural workers who gained a high reputation as quality workers, but recently doctors, technicians and other specialists account for a high share of overseas Filipino workers. Today, the reputation of Filipino workers is extremely high due to their high levels of skill and education and their ability to speak English, and the demand from foreign countries is great.

Table 1 shows the outflow of Filipino workers abroad. As we can see, the number of Filipinos working abroad increased abruptly from 1975 on, reaching 520,000 in 1989. These statistics, however, are the number of legal overseas workers known to the Philippine Overseas Employment Administration. Some believe that the number of illegal overseas workers easily surpasses the 1 million mark.

In 1988, over 90% of all Filipino overseas workers working on land-based were in the Middle East and Asia -- 69.3% in the Middle East, 24.1% in Asia, 2.1% in the United States, and 2% in Europe (see Table 2). The overwhelming majority works in the Middle East. For this reason, damage from the recent Gulf War was severe. In addition, in 1987 94% of the total number of workers abroad were employed in four fields: Production (33.9%), services (33.9%), Professional/Technical (17.5%), and entertainers (8.9%) (see Table 3).

(3) Objectives for Overseas Dispatch of Workers

During the Marcos administration, the economy of the Philippines began to stagnate, and unemployment levels and the balance of international payments worsened. Overseas dispatch of workers began to be actively encouraged at this time. The main objective was to mitigate the above problems. Evidence of this can be seen in Executive Order No. 857, which made it compulsory for overseas dispatched workers to remit a certain percentage of their basic salary back to the Philippines through official routes. The percentages were 70% for seamen, 70% for laborers, 50 to 70% for such specialists as doctors, nurses, technicians and educators (depending on work conditions), 50% for housekeepers and those working in services, and 50% for other workers.

Table 1 shows the trends in remittances from workers dispatched overseas. We can see that the amount of remittances has been increasing steadily. It is clear from these amounts that the acquisition of foreign currency through remittances by overseas workers is helping to improve the balance of international payments. By way of reference, the countries from which the amounts of remittances were greatest from 1978 to 1987 were the United States (1st), the United Arab Emirates (2nd), Japan (3rd), England (4th) and Hong Kong (5th).

(4) Advantages and Disadvantages of Overseas Employment of Workers

As mentioned above, the dispatch of workers overseas offers great advantages from the points of view of alleviating the problem of unemployment and improving the balance of international payments through the acquisition of foreign currency. Furthermore, the consumer demand of those people benefiting from remittances is responsible for stimulating regional economies in some places, but does not go so far as to vitalize the national economy. In any event, the dispatch of workers overseas is deeply entrenched in the society and economy of the Philippines today.

The dispatch of workers overseas also brings about disadvantages. The major disadvantage is the brain drain. The foreign demand for Filipino workers with their English abilities and professional skills is naturally extremely high. However, quality human resources are also essential for the economy and society of the Philippines itself. Recently, there is a growing awareness that the outflow of such workers is a negative factor for the economy and society.

For example, industrial circles are complaining that they cannot recruit enough skilled workers. Some regional medical institutions cannot keep full staffs due to the overseas outflow of doctors and nurses. There is also the complaint that overseas dispatch is "reverse economic aid from a developing country to developed countries" because the money invested on educating workers dispatched abroad is far greater than the remittances from such workers.

According to recent studies, the overseas dispatch of workers is only contributing to the acquisition of foreign currency. That is, even if dispatched workers save capital, there are few promising companies in the Philippines, so there is no environment for effectively using this capital and it is therefore wasted. Even if it is invested in the education of children, these children cannot subsequently find employment in the Philippines, so they also move abroad, thus creating a circle of economic stagnation. Furthermore, only skilled workers can be dispatched overseas, so the overseas dispatch of workers does little to alleviate the problem of unemployment.

One could say that the society and economy of the Philippines has fallen into a vicious circle generated by overseas dispatch. The availability of cheap, quality workers in the Philippines has inversely become a negative factor.

(5) How Japan is Concerned

It was with the "Japa-yuki" problem (some Filipino women carry out public morals by prostituting) that Japanese came to know about Filipino workers. Naturally, they were not looked upon favorably. Japan is strengthening restrictions on the influx of unskilled workers. Still, Japan is an appealing place for Filipinos to work. Furthermore, though these Filipinos may be working at unskilled labor in Japan, they are an essential human resource for development back in the Philippines. It is important to fully consider this gap when reflecting on the issue of foreign workers.

So what are the factors causing foreign workers to want to come to Japan? For Filipinos, the stagnation of the national economy and unemployment are no doubt major factors, as previously mentioned. Furthermore, while the overseas dispatch of workers was at first expected to help solve these problems, it is now becoming a negative factor on the Philippine economy and employment situation. This further incites the overseas dispatch of workers, thereby creating a vicious circle of sorts.

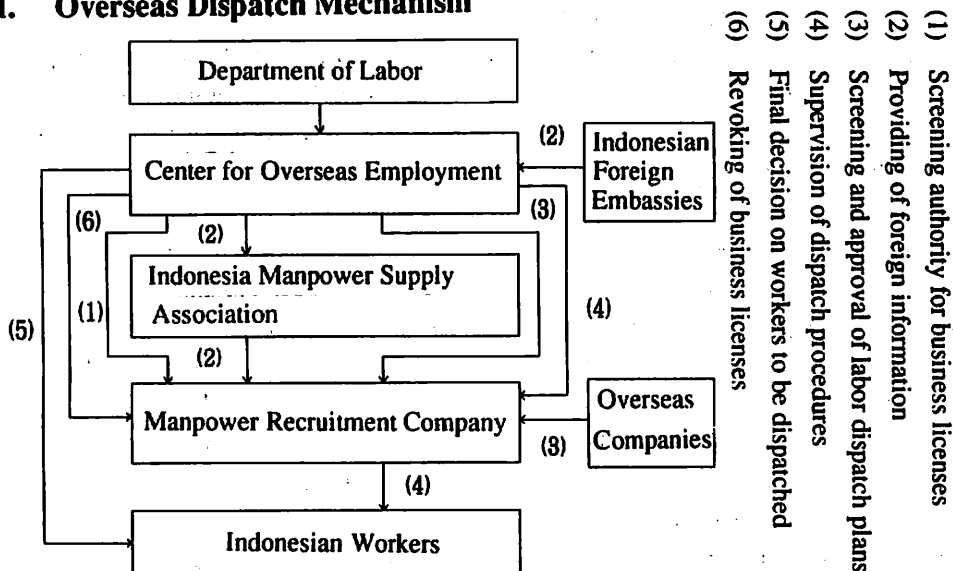
In order to break this vicious circle, it is necessary to vitalize the national economy of the Philippines. It is clear that this is an internal issue for the Philippines and that the Filipino people should be responsible for it. However, from a moral standpoint, as well as in Japan's own interests, Japan should assist the efforts of the Philippines from the side in some fashion. If Japan makes no contribution to assisting the Philippines, then even if Japan strengthens restrictions on foreign workers, the number of illegal workers in Japan will increase, thereby accelerating the intensification of the problem of foreign workers in Japan.

References

- Philippine Labor Review, Vol. 10, No. 2, July-December 1986.
- Catholic Institute for International Relations, *The Labor Trade : Filipino migrant workers around the world*, CIIR, London, 1987.
- MA. Luis P. Martinez et. al (eds), *Philippine Overseas Employment Guide-book*, AIDCE International Marketing and Management Systems, Quezon City, 1989.
- Jose N. Nolleto (Ed), *The Labor Code of the Philippines*, National Book Store, Metro-Manila, 1990.
- Philippine Overseas Employment Administration*, POEA, Metro-Manila.
- Others.

4 Indonesia

I. Overseas Dispatch Mechanism



II. Dispatch Situation

Table 1 Past statistics and future dispatch plans

(Units: persons)

Year	Actual numbers dispatched overseas				Planned numbers
	1969-74	1974-79	1979-84	1984-89	1989-94
Saudi Arabia	—	3,817	55,976	223,573	358,000
Malaysia	12	536	11,441	37,785	65,000
Singapore	8	2,432	5,007	10,537	28,000
Brunei	—	—	—	920	14,000
Others	5,604	10,257	23,986	19,447	35,000
Total	5,624	17,042	96,410	292,262	500,000

Source: Center for Overseas Employment

Table 2 Remittances from workers dispatched overseas

(Units: \$100,000)

Year	1983	1984	1985	1986	1987	1988
Total amount	10	53	61	71	86	103

Source: Center for Overseas Employment

(1) Overseas Dispatch Mechanism

In Indonesia, where the government is actively dispatching workers overseas, the mechanism by which workers are dispatched overseas consists of four parts: (1) the Department of Labor; (2) the Center for Overseas Employment, a division of the Department of Labor; (3) private manpower recruitment companies, of which there are currently some 250; and (4) the Indonesia Manpower Supply Association, established by these private manpower recruitment companies.

The distinctive feature of the dispatch mechanism in Indonesia is the powerful authority of the Center for Overseas Employment. This Center holds virtually all authority on matters concerning overseas dispatch, including: (1) the authority for certifying business licenses for private dispatch companies; (2) gathering and dissemination of information on overseas labor markets; (3) inspection and approval of dispatch plans of private manpower recruitment companies; (4) supervision of the affairs of private manpower recruitment companies; (5) final decision on workers to be dispatched through ability tests, etc. (refer to the diagram). It is sometimes even criticized for abuse of power.

It is the private manpower recruitment companies that do the actual work of overseas dispatch. However, these private companies are also obligated to offer professional training for those wishing to be dispatched overseas. The Indonesia Manpower Supply Association functions as an intermediary between the government and the private sector. Information obtained by the Center for Overseas Employment on overseas labor markets is offered to the various private manpower recruitment companies through this Association.

This dispatch mechanism, while it consists of functional parts, has a major weak point. With the increase in the number of overseas workers, more of these workers are facing difficulties overseas, and protecting their human rights has become an issue requiring attention. Within the framework of this dispatch mechanism, however, the only way to deal with this is beforehand, by for example (1) the Center for Overseas Employment checking dispatch plans which may result in difficulties overseas, or (2) strengthening the ability of Indonesian diplomatic establishments overseas to gather information. Those concerned are just now becoming aware of the need for active measures.

By way of reference, there is a labor accident insurance (ASTEK) program covering labor accidents and death of overseas workers, which overseas workers subscribe to before going abroad.

(2) Outflow of Workers

Concerning legitimate overseas dispatched workers, the accurate number of such workers is known (see Table 1). Some characteristics of the overseas dispatch of workers in Indonesia are: (1) the numbers are increasing greatly in recent years; (2) the greatest numbers are working in Saudi Arabia in the Middle East. Other characteristics which do not appear on the table include: (3) the fact that many workers are in the informal sector, including housekeepers and chauffeurs, and few work in modern companies in the formal sector; (4) a great number of those working in the informal sector are women.

As the number of workers dispatched overseas increases, remittances from such workers are also increasing steadily (see Table 2). Furthermore, according to the Indonesian government's 5th five-year plan (1989 - 1994), a total of 500,000 workers will be dispatched overseas during this period.

The reason that dispatch is concentrated in certain countries, as shown in Table 1, is partly accounted for by the fact that the demand for labor is great in these countries, but is also greatly due to religious reasons. The religion of these countries, aside from Singapore, is Islam, as in Indonesia. It is easier for those going to work in foreign countries to work in a country with a similar religion and lifestyle, and easier for those in the importing country to accept people with the same religion and lifestyle. Furthermore, dispatch to Malaysia and Singapore is affected by the geographical proximity of these countries.

However, these characteristics are by no means desirable. The greater the concentration of dispatch to specific countries, the greater the damage should the political situation in the other country change. A good example is the refugee situation that arose with Indonesian workers during the recent Gulf War. In addition, the fact that many dispatched workers are employed in the informal sector shows that many are in an unstable employment situation. The major issues with which the Center for Overseas Employment must currently deal with are: (1) to diversify the countries to which workers are dispatched, and (2) to attempt to employ workers in more advanced areas (more employment in the formal sector); and therefore (3) to change the core of workers dispatched overseas from women to men.

It is difficult to gain an accurate grasp on the illegal employment situation. However, aside from Malaysia where there are many illegally entered Indonesians, it is thought that the number of illegal workers overseas is relatively low. Some reasons given for this are: (1) the temperament of Indonesians, who do not aspire to going overseas; (2) the language barrier (not many Indonesians are proficient in English); (3) differences in religion and lifestyles; and (4) the fact that foreign companies have only recently focused their attention on the use of Indonesian workers.

(3) Objectives for Overseas Dispatch of Workers

It is said that there are three major reasons why Indonesia is actively dispatching workers overseas: (1) as an employment tactic; (2) to acquire foreign currency; and (3) to promote the transfer of technology. However, the labor population exceeds 70 million, and the growth rate of the labor population is a high 3%, so overseas dispatch of workers has little effect as an employment tactic. In addition, overseas remittances are increasing as the number of overseas workers rises, but overseas workers are not obligated to remit money back to Indonesia. Indonesia seems quite indifferent to remittances from overseas workers in comparison to its professed aim of acquiring foreign currency.

Thus we can see that the major objective for sending workers overseas is technological transfer. In other words, Indonesia's aims are to dispatch its partially skilled and unskilled workers to the formal sector in foreign countries, have them learn techniques and skills through work, then utilize them in the domestic industry after they return to Indonesia. This is a way of killing two birds with one stone. It eliminates the need for investing large amounts of money in education while at the same time providing the added chance of acquiring foreign currency.

However, this plan for transfer of technology also has a major weak point. The government cannot provide returnee workers who have acquired techniques and skills with jobs taking advantages of these techniques and skills. There is virtually no strategy for placing returnee workers. There is only the vague hope that "many companies will want to employ workers with technical abilities and skills." What is most needed now is to put greater efforts into the domestic employment situation, regardless of overseas dispatch plans.

(4) Advantages and Disadvantages of Overseas Employment of Workers

There are many advantages and disadvantages involved in the overseas dispatch of workers. However, it is relatively recently that the numbers of workers dispatched overseas has begun to increase rapidly, and currently about the only advantage the Indonesian society is aware of is the acquisition of foreign currency, and the only disadvantage the need for safeguarding the human rights of dispatched workers. Other influences have as yet not surfaced.

(5) How Japan is Concerned

Concerning the number of Indonesian workers dispatched to Japan: (1) the number is low,

only 200 to 300 per year; (2) this situation is stable. If we look at the situation of visas issued by the Japanese embassy in Indonesia: (1) the number of trainees dispatched is greater than the number of workers; (2) this trend is stable; and (3) the percentage of trainee visas issued among total visas is increasing steadily. The Indonesian policy of prioritizing the transfer of technology is apparent in these trends. In addition, if we look at the numbers of foreigners denied entry to Japan, we can perceive that the number of illegal Indonesian workers in Japan is extremely low.

We can say that relations between Japan and Indonesia are in an extremely calm, steady and stable situation. Some reasons for this are: (1) the Center for Overseas Employment is involved in the overseas dispatch of workers, so dispatch is conducted in a planned and organized fashion; (2) many trustworthy, responsible organizations are involved on both the side of those sending trainees and the Japanese receiving side, and the dispatch of trainees is handled discerningly; (3) the fact that Japanese companies accepting trainees are limited to one trainee per 20 company employees.

However, depending on the economic situation in Indonesia, it is quite conceivable that the objective behind overseas dispatch of workers may suddenly shift to the acquisition of foreign currency. Though it is not currently in effect, Indonesia's "Regulation Concerning Overseas Employment" contains the following article: "Indonesian workers have the obligation to participate in a remittance program and saving program." If like the Philippines Indonesia sets its aims on the acquisition of foreign currency, then given the great authority of the Center for Overseas Employment, it may immediately export vast numbers of workers.

Japan should no doubt offer the greatest cooperation possible on Indonesia's technological transfer program, and at the same time carefully consider the characteristics of Indonesia's overseas dispatch mechanism.

References

Regulation Concerning Overseas Employment, Department of Manpower, R.I., Jakarta, 1989.

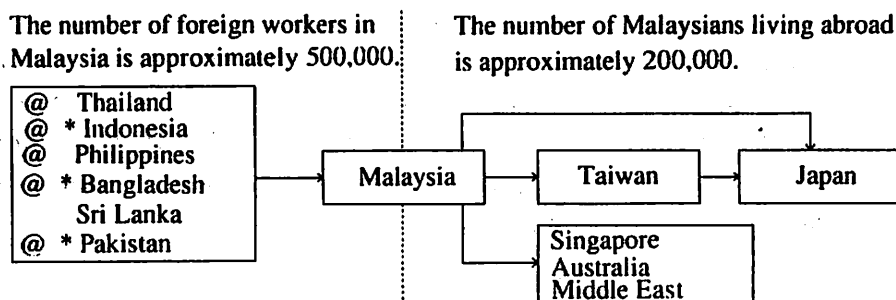
Patrick Guinness, "Indonesian Migrants in Johor", *Bulletin of Indonesian Economic Studies*, Vol. 26, No. 1, April 1990.

Drs. Comsas Batubara, "Employment Policies in Indonesia", Six Parliamentary Meeting Population and Development, Jakarta, 22-23 March 1990.

Others.

5 Malaysia

Figure 1 Malaysia and the international migration of labor



Notes: "@" indicates Islamic countries or countries with heavily Islamic regions.
 "*" indicates countries with which the Malaysian government has some sort of agreement on the issue of foreign workers.

Table 1. Socioeconomic indices of Malaysia and major related countries

		Country	Per capita GNP (\$)	Rate of urbanization (%)	Unemployment rate (%)	Daily wage (\$)	Dependency ratio (%)
Labor exporting countries		Bangladesh	130	18	37.4	1.3	88.7
		Sri Lanka	360	21	17.9	1.4	66.7
		Pakistan	380	29	3.9	1.5	88.7
		Indonesia	540	25	3.0	—	78.6
		Philippines	660	39	4.9	4.0	78.6
		Thailand	860	18	3.5	2.4	69.5
Labor exporting country	Labor importing country	Malaysia	1,980	31	6.0	6.9	72.4
Labor importing countries		Singapore	7,260	100	3.2	11.1	49.3
		Australia	11,740	86	10.0	58.5	51.5
		Japan	10,630	76	2.6	37.6	47.0

Note: This table was prepared using mainly data from 1983 and 1984. For the sources, refer to the references at the end of this section.

Table 2 Numbers of visas issued by the Japanese embassy in Malaysia

(Units: persons)

Period	Year	'85	'85	'85	'85	'86	'86	'86	'86	'87	'87	'87	'87	'88	'88	'88	'88
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Technical Training Study	Semester	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Work		44	324	71	85	67	310	73	53	111	313	93	115	166	311	285	<u>230</u>
		<u>125</u>	14	29	4	181	7	38	11	179	11	41	11	174	45	96	29
Total		0	7	27	0	12	25	27	67	27	97	110	233	294	451	<u>190</u>	91
		169	345	127	89	260	342	138	131	317	421	244	359	634	807	571	350

Source: Based on study by the Japanese embassy in Malaysia.

Note: The underlined values were read off a graph.

(1) Overseas Dispatch Mechanism

Malaysia has in recent years begun sending large numbers of workers to Japan. However, unlike the Philippines, Indonesia and other Asian countries, in Malaysia there is no official mechanism for dispatching workers overseas. From this perspective it would seem unnecessary to introduce the situation in Malaysia. However, the actions of Malaysia with regard to the issue of international migration of labor present many points which should be carefully considered by Japan, which is facing similar problems.

(2) Outflow of Labor

A distinguishing feature of Malaysia is that it both exports labor and also imports labors from other countries. While Malaysia exports labor to Japan, Taiwan and Australia, it imports labor from Thailand, Indonesia, the Philippines and Bangladesh. There is a "billiard-ball" phenomenon occurring in the international migration of labor in Asia with Malaysia as the medium (see Figure 1.)

However, at the present stage it is difficult to statistically grasp accurate numbers. According to the official numbers of the Ministry of Labor, Manpower Department, the number of foreign workers in Malaysia is 500,000, and the number of Malaysians working abroad is 200,000. These values are likely a count of workers who have entered and left Malaysia legally. If the number of workers who have done so illegally were included, the number of foreign workers in Malaysia and the number of Malaysian workers abroad would no doubt be larger.

(3) Particular Situation of Malaysia

A variety of socioeconomic, geographic, historic and religious conditions are deeply involved in the special situation in Malaysia. Table 1 shows the socioeconomic indices of various countries. As we can see from this table, Malaysia is positioned between "poor countries" beleaguered by low standards of living, high unemployment rates and low wages, and "rich countries" faced with labor shortages. Malaysia is a truly appealing country to work in for workers from "poor countries", while "rich countries" are an attraction for Malaysian workers.

This particular situation is reinforced by geographical conditions. The Malay peninsula

borders with Thailand, while the states of Sabah and Sarawak border with Indonesia. Furthermore, the island countries of the Philippines and Indonesia are nearby, so it is easy to enter or leave Malaysia on land or sea. Thus, there is a situation in which it is easy for the people of neighboring countries to enter Malaysia and easy for Malaysians to leave their country.

The historical and economic conditions of Malaysia itself also contribute to this particular situation. Malaysia's former suzerain, Great Britain, brought in Chinese and Indian workers during the period of colonization for such projects as the development of plantations. This is why Malaysia is a multi-national country (60% Malays, 30% Chinese, 10% Indian). Furthermore, ethnic Chinese and Indians possess the actual power over the economy and labor, while ethnic Malays are in the position of being the economic weak. The government therefore adopted the "bumiputera" policy (which prioritizes Malays), but non-Malays, and in particular ethnic Chinese, feel this as disadvantageous to themselves. The number of Malaysian workers finding employment abroad is currently increasing, and it is said that most of these workers are ethnic Chinese.

In addition, the labor market in Malaysia presents the peculiarity that a mismatched employment situation tends to occur easily. There is an increasingly severe problem of labor shortage in the agricultural sector while there is high unemployment of young workers in the industrial sector. The use of foreign workers and the outflow of Malaysian workers is acting to alleviate these problems.

The influences of religion, lifestyles, race and language are also not to be overlooked. Many of the countries exporting workers to Malaysia are Islamic (there are many Moslems in bordering Southern Thailand and on Mindanao in the Philippines). Furthermore, Indonesians, which account for the vast majority of illegal enterers into Malaysia, are closely related both racially (to the Malays) and by language (Malay is the parent language for both). It is easy for people of similar religions, lifestyles, races and languages to enter Malaysia and easier for Malaysians to accept them.

(4) Advantages and Disadvantages Arising from the Influx and Outflow of Labor

As can be understood from the above, Malaysia experiences the advantages and disadvantages of both a labor importing and exporting country. The major disadvantages as a labor importing country are that foreign workers bring in contagious diseases, that the influx of foreign agricultural workers sometimes holds down the wage levels of agricultural workers, and that friction and discord arise between Malaysian and foreign workers. One of the advantages as a labor importing country is that these workers alleviate the labor shortage in the agricultural sector.

Some advantages as a labor exporting country are the fact that overseas employment opportunities provide an outlet for young unemployed workers, the acquisition of foreign currency through overseas remittances, the improvement of the standard of living, and the resulting stimulation to regional economies through increases in consumer demand. Disadvantages include the outflow of the quality human resources required for the domestic industry and poor treatment of Malaysian workers overseas.

(5) Policies of the Malaysian Government

The response of the Malaysian government to the international movement of labor presents complex aspects. The dispatch of workers overseas could be advantageous from the point of view of acquiring foreign currency, but the Malaysian government appears to have no intent or strategy to do so. This is no doubt because the outflow of labor conflicts with Malaysia's basic policy, the "population of seventy million" policy for increasing the population. The government's stance with regard to the outflow of labor is passive, with no regulations or restrictions. It seems to offer its tacit approval or to take a wait-and-see attitude. This is most likely due to such influences as the problem of unemployment among young workers, the "bumiputera" policy and racial problems.

On the other hand, the Malaysian government is also having a difficult time dealing with the influx of foreign workers. In Malaysia, which became a multinational country through policies adopted in colonial times, friction and tension still exist today between races. The new influx of foreign workers further aggravates this problem. The government would like to avoid additional complications. As a result, the government's basic stance is to prevent the influx of foreign labor. However, considering the mismatched employment situation, Malaysia is forced to accept foreign workers.

As a result, the way the government can deal with the situation is through contradictory policies of both restricting the influx and promoting the introduction of foreign labor. The compromise is planned introduction. Based on this strategy, the Malaysian government is currently implementing a series of policies such as reinforcing control of illegal foreign workers, discussions with governments of the countries of origin of the foreign workers and strengthening immigration control. However, it appears that illegal entry is on the contrary increasing.

By way of reference, concerning discussions with governments of the countries of origin of the foreign workers, the Malaysian government is said to have reached some form of agreement on the problem of foreign workers with the governments of Indonesia, Bangladesh and Sri Lanka. The content and character of these agreements are not, however, being made public.

(6) How Japan is Concerned

Table 2 shows the numbers of visas issued by the Japanese embassy in Malaysia. As can be seen from this table, the number of workers heading for Japan from Malaysia has been increasing rapidly in the past ten years. However, these are the numbers of Malaysians entering Japan legally, and if we include Malaysians working illegally in Japan, there is no doubt a substantial number of Malaysians in Japan. We can deduce this from the figures on the numbers of people denied entry to Japan by country.

How should Japan deal with the issue of Malaysian and other foreign workers? When considering this, Malaysia's own experience can be of valuable reference to Japan. Malaysia has learned that the introduction of foreign workers generates disadvantages as well as advantages, that a country must be prepared for many problems when accepting foreign workers, that the social problems created by foreign workers take many complex forms, and that if legal attempts are made to restrict their entry illegal entry increases. When regarding this issue, it is necessary to reflect not only on the economic aspect of labor shortages but also to carefully consider the homogeneity which is characteristic of Japanese society.

At the present stage there appears to be no decisive way in which to prevent the influx of foreign workers. In addition, this influx cannot be fully dealt with through the efforts of a single country. From this standpoint, the efforts of the Malaysian government to establish relationships of cooperation with the countries from which foreign workers originate (in this case Indonesia, Bangladesh and Pakistan) in order to deal with this issue are to be highly commended. When handling this problem, Japan should not only listen to opinions from the domestic front, but also establish closer international relationships of cooperation at an early stage.

References

- The Ad-hoc Committee on Population Issues, National Population and Family Development Board, *Towards a Population of Seventy Million*, National Population and Family Development Board, July 1984.
- Department of Statistics, *Labour Force Survey Report 1981 - 1984*.
- Immigration Act 1959/63 (Act 155)*.
- Ministry of Finance, Malaysia, *Economic Report 1988/89*, p. 151.
- May Ling Young, "Industrialization and Its Impact on Labour Migration", *MIER Discus-*

sion Papers, Malaysian Institute of Economic Research, No. 6, September, 1987.

Dr. A. Hamid Arshat, *Population & Family Development Malaysia*, National Population and Family Development Board, July 19886, pp. 27 - 34.

Business Times, December 29, 1985.

Business Times, July 23, 1986.

Star, February 26, 1986.

Star, December 22, 1988.

New Straits Times, October 17, 1989.

New Straits Times, March 22, 1986.

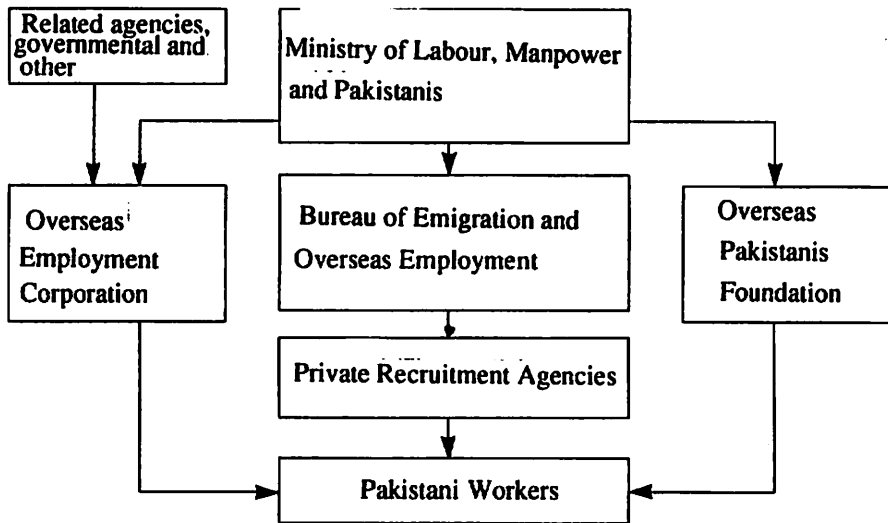
Star, July 4, 1986.

The main sources of the statistics on Table 1 are as follows:

World Bank, *World Development Report* 1986., ILO, *Book of Labor Statistics* 1988., UN, *Statistical Yearbook* 1985/86.

6 Pakistan

I. Overseas Dispatch Mechanism



II. Dispatch Situation

Table 1 Number of overseas workers
(Unit: 1000 persons)

Year	No. workers
1976	41.7
1977	140.5
1978	130.5
1979	125.5
1980	129.8
1981	168.4
1982	143.0
1983	128.2
1983	128.2

Source: Kirio Morita, "International Migration of Labor".

Table 3 Trends in numbers of illegal Pakistani workers (Units: persons)

Year	Number
1984	3 (0)
1985	36 (0)
1986	196 (0)
1987	905 (0)
1988	2,497 (2)
1989	3,170 (2)

Source: Immigration Bureau, Ministry of Justice
Note: Figures in parentheses indicate the number of women (included in total).

Table 2 Remittances from abroad
(Units: millions of dollars)

Year	Amounts remitted
1970	86.0
1971	70.2
1972	130.3
1973	145.8
1974	150.8
1975	220.1
1976	328.4
1977	577.1
1978	1,155.2
1979	1,397.3
1980	1,747.3
1981	2,097.9
1982	2,226.9
1983	2,888.2
1984	2,738.6
1985	2,457.1

World Bank, World Tables

(1) Overseas Dispatch Mechanism

The government of Pakistan, which takes a positive stance toward the overseas dispatch of workers, has established a unique overseas dispatch mechanism. This mechanism consists of five parts: (1) the Ministry of Labour, Manpower and Pakistanis; (2) the Bureau of Emigration and Overseas Employment, a division of this Ministry; (3) the Overseas Employment Corporation which is under the management of the Ministry of Labour, Manpower and Pakistanis; (4) the Overseas Pakistanis Foundation, and (5) many private recruitment agencies.

The Ministry of Labour, Manpower and Pakistanis (hereunder referred to simply as the Ministry of Labour) controls the activities of the Bureau of Emigration and Overseas Employment, the Overseas Employment Corporation, and the Overseas Pakistanis Foundation. The Bureau of Emigration and Overseas Employment was set up under the Emigration Ordinance promulgated in 1979. Its main responsibilities include: (1) supervising the activities of private recruitment agencies; (2) studying means of managing and regulating overseas employment; (3) offering the government information on overseas employment; (4) registration of those departing Pakistan; (5) promotion of overseas employment opportunities; (6) estimates of foreign demand for workers; and (7) surveys of overseas job markets.

The Overseas Employment Corporation is a private limited company established in 1976 with the full financing of the federal government and is under the Ministry of Labour. This Overseas Employment Corporation is the largest organization for labor exports in Pakistan, and conducts a full spectrum of affairs ranging from recruitment to dispatching. In concrete terms, this includes: (1) recruitment of those wishing to work overseas; (2) interviews and tests of applicants; (3) skills tests; (4) preparation of lists of prospective workers for overseas dispatch; (5) health examinations; (6) endorsements for passports and visas; (7) pre-departure orientation; (8) dispatching, etc. The main objective of the Overseas Employment Corporation is the preparation of models for use as standards for labor exports, and the corporation works with the cooperation of the concerned governmental agencies.

On the other hand, there are also many private recruitment agencies, and in 1977 business licenses had been issued to 1,226 agencies. It was after this that large scale outflow of Pakistani workers to Middle Eastern countries began. However, the cases of abusive private recruitment agencies cheating workers out of their money increased as the number of private recruitment agencies grew. It was to deal with this problem that the Emigration Ordinance was promulgated in 1979, and that the Bureau of Emigration and Overseas Employment was established to supervise private recruitment agencies.

The Overseas Pakistanis Foundation is a limited company founded in 1979 for the welfare of overseas workers and their families in Pakistan. The activities of this foundation are fi-

nanced by commissions received from dispatched workers (550 rupees per person) and by the interest on guaranteed reserves of private recruitment agencies. Its range of activities span a variety of fronts, including the construction of housing for overseas workers and their families, the construction and maintenance of occupational training facilities, the granting of scholarships for the children of overseas workers, contributions to various public associations, and the foundation of domestic and foreign offices for the Foundation.

(2) Outflow of Workers

As shown on Table 1, the overseas dispatch of Pakistani workers increased abruptly in 1977. While in 1976 this number was approximately 40,000, in 1977 it jumped to 140,000, and reached the peak of 170,000 in 1981. It has since decreased slightly, to about 120,000 in 1983. If we examine this by level of skill, 45% of the workers dispatched overseas were unskilled workers, 41% partially skilled workers, 10% service workers, and only 4% specialists. In other words, the vast majority are unskilled or partially skilled workers. In addition, most workers are dispatched to Middle Eastern countries. For example, in 1976 some 96% of overseas Pakistani workers went to Middle Eastern countries.

The reason dispatch is concentrated in Middle Eastern countries is partly accounted for by the fact that the demand for labor in this region is great, but is also largely due to religious factors. The religion of Pakistan is Islam, the same as Middle Eastern countries. Islamic religious precepts are generally strict and greatly affect the daily life of its followers. In other words, for Pakistani workers Middle Eastern countries have societies with similar religion and lifestyles; so it is comparatively easy for Pakistani workers to adapt. In addition, it is easy for the Middle Eastern countries to accept such foreign workers.

As the number of workers dispatched overseas increased, remittances from abroad also rose. Table 2 shows the trend in the amount of remittances. This trend virtually matches the figures in Table 1. If we examine the regions from which money was remitted, some 86% of all remittances for 1983-1984 were from the Middle East. Thus it is clear that the Middle East is the main destination for overseas Pakistani workers.

(3) Objectives for Overseas Dispatch of Workers

We can postulate that Pakistan dispatches workers abroad for the following three reasons: (1) for the acquisition of foreign currencies; (2) to alleviate the unemployment problem; and (3) to reduce the problem of poverty. As shown on Table 2, the amounts of remittances are

quite substantial. For the 1980-1986 period, they amounted to 60% of the trade balance (exports minus imports). Remittances from dispatched workers are contributing greatly to the acquisition of foreign currencies.

The overseas dispatch of workers is also contributing to mitigating the domestic unemployment problem. As can be seen from the level of skill of dispatched workers cited above, most workers dispatched overseas were in a state of unemployment in Pakistan. Their move overseas alleviates the internal problem of unemployment. In fact, the number of unemployed in Pakistan is decreasing, from 205,000 in 1975 to 155,000 in 1977 and 140,000 in 1982.

The per capita GNP in Pakistan is an extremely low \$350 (in 1988). With this situation, many are in a state of unemployment, and a large portion of the population suffers from poverty. Because of this, if even one member of the family can find employment overseas, the entire family can rely on his remittances and improve their impoverished state to some degree. These two effects of overseas dispatch, that is the reduction of the numbers of unemployed and their remittances from abroad, contribute greatly to reducing poverty.

(4) Advantages and Disadvantages of Overseas Employment of Workers

As stated above, the overseas dispatch of workers offers the advantages of; (1) the acquisition of foreign currency; (2) alleviation of the problem of unemployment; and (3) reduction of poverty. It also generates some adverse effects, however. One example is the activity of malicious brokers. As previously mentioned, the reason that the Bureau of Emigration and Overseas Employment was established was exactly to crack down on the activities of such brokers. However, malicious brokers are still active at present. Greater efforts will be required to exterminate them.

(5) How Japan is Concerned

Table 3 shows the trends in the numbers of Pakistanis working illegally in Japan. As these statistics indicate, the number of illegal Pakistani workers in Japan is increasing swiftly. If these numbers only indicate the tip of the iceberg, we can assume that the number of illegal Pakistani workers currently in Japan is quite high. According to data of the Immigration Bureau of the Ministry of Justice, the overwhelming number of illegal Pakistani workers in 1988 were employed as construction and factory workers. In other words, there are many Pakistanis employed as unskilled labor, as already expressed repeatedly.

When considering the recent international situation, there is a matter of which Japan should

be particularly cautious -- the effects of the Gulf War. As can be understood from the above explanations, the vast majority of overseas Pakistani workers are in Middle Eastern countries. In other words, most of these workers have lost their jobs due to the recent war. Unless the employment situation in Middle Eastern countries improves, there is the possibility that large numbers of out-of-work Pakistanis will surge to Japan.

From past experience, we know that restricting the influx of foreign workers involves many difficulties for any country. This is because attempting to resolutely restrict the influx through legal means has the inverse effect of the increase in illegal entrants. Rigorous restrictions to influx may only complicate such problems.

To prevent this problem from becoming more complicated, and for its fundamental resolution, it is necessary to reform the socioeconomic situation in Pakistan which forces workers to move abroad. To do so, and for the development of Pakistan, we can say that Japan must cooperate actively for the socioeconomic development of Pakistan.

References

International Labour Organization, *Labour Administration : Profile on Pakistan*, Bangkok, 1988.

Kirio Morita, "International Migration of Labor", Tokyo University Press, 1989.

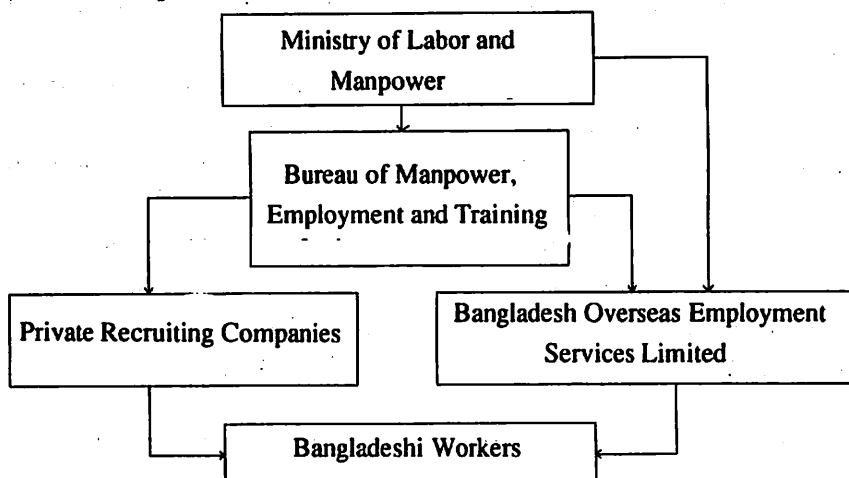
Seiko Sasaki, "*The Wind from Asia*", Asahi Shimbun-sha, May, 1991.

World Bank, *World Tables*.

Others.

7 Bangladesh

I. Overseas Dispatch Mechanism



II. Dispatch Situation

Table 1 Destinations of dispatch and trends of remittances
(Units: 100 persons, millions of dollars)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
United Arab Emirates	20	58	75	50	48	44	69	66	53	83
Qatar	12	23	13	14	15	23	63	76	28	48
Kuwait	7	13	22	23	37	55	72	103	57	73
Iraq	6	12	15	24	19	132	129	49	47	51
Saudi Arabia	2	14	32	65	87	134	163	130	206	372
Libya	2	7	24	20	30	42	21	22	34	15
Bahrain	3	9	8	8	14	14	20	25	23	30
Singapore	0	0	0	1	7	11	3	2	7	0
Oman	1	15	29	38	47	74	83	111	101	92
Jordan	0	0	0	1	1	1	2	1	0	0
Malaysia	0	0	0	0	0	0	0	0	0	8
Others	8	5	10	1	1	10	3	7	11	5
Total	61	157	228	245	306	540	628	592	567	777
Remittances	16	45	102	127	197	362	368	576	527	364

Source: Labor Administration, World Tables.

Table 2 Ratios of dispatched workers by level of skill
(Units: %)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Specialists and technicians	9.3	11.2	15.2	14.3	6.5	7.0	6.2	3.0	4.6	3.3
Skilled workers	29.2	41.0	35.9	28.6	39.9	40.2	32.9	32.0	31.1	36.4
Semi-skilled workers	8.9	3.1	4.6	6.9	7.7	6.2	5.2	8.6	9.5	10.0
Unskilled workers	52.6	44.7	44.3	50.2	46.0	46.6	55.7	56.4	54.8	50.3

Source: Labor Administration.

(1) Overseas Dispatch Mechanism

In Bangladesh, which has in recent years been sending large numbers of workers overseas, the mechanism by which workers are dispatched consists of four parts: (1) the Ministry of Labor and Manpower; (2) the Bureau of Manpower, Employment and Training, a division of the Ministry of Labor and Manpower; (3) Bangladesh Overseas Employment Services Limited, which is subordinate to the Ministry of Labor and Manpower; and (4) private recruiting companies.

At the center of the dispatch mechanism is the Bureau of Manpower, Employment and Training (established in 1976). This Bureau, based on the Emigration Ordinance, supervises the activities of private recruiting companies, and issues business licenses to recruiting agencies and exit permits. Unlike the core organization of worker dispatch mechanisms in other countries, however, the Bureau of Manpower, Employment and Training is not specialized in the overseas dispatch of workers. This Bureau consists of two sections, an employment services section and an occupational training section, and conducts a wide range of activities, including registration of job seekers, employment introductions, promotion of self-employment of workers, gathering and dissemination of information on the job market, promotion of overseas employment, and professional guidance (training).

In other words, the Bureau of Manpower, Employment and Training has three functions -- that of a public employment security organ, that of an occupational training office and that of a research center. The promotion of overseas dispatch is nothing more than one part of its functions.

Bangladesh Overseas Employment Services Limited is an organ established with the backing of the Ministry of Labor and Manpower as a public sector overseas employment recruiting company. Two bodies, that is Bangladesh Overseas Employment Services Limited and private recruiting companies, handle the actual business of overseas employment in Bangladesh.

The overseas dispatch mechanism in Bangladesh presents a feature not common to such mechanisms in other countries, no doubt due to the fact that the governmental agency which has jurisdiction over occupational training handles the overseas dispatch of workers. This feature is that it provides occupational training for workers. The major recruiting companies in Bangladesh also have occupational training centers, and endeavor to teach and improve the skills of workers desiring employment overseas. Because of this, Bangladeshi workers dispatched overseas have acquired the reputation of possessing sufficient professional training.

(2) Outflow of Workers

Table 1 shows the destinations of dispatched Bangladeshi workers and the trends in remittances. From this table we can infer four points: (1) that the number of workers dispatched overseas has been increasing rapidly since 1976; (2) that along with this remittances from dispatched workers are also increasing; (3) that the vast majority of Bangladeshi workers are dispatched to Saudi Arabia and other Middle Eastern countries; and (4) that there are two destinations in Asia -- Singapore and Malaysia. These are the figures for legally dispatched workers -- the situation of illegally dispatched workers is not known. However, considering the experience of many countries, the numbers of illegal Bangladeshi workers in the Middle East and Asian countries is already quite high.

The reason for dispatch to Middle Eastern countries is due in part to the great labor demand in this region, but the religious factor should not be overlooked. The religion of Middle Eastern countries and Malaysia is Islam, the same as Bangladesh. Islam has strict religious precepts which greatly affect the daily life and customs of the people. Because of this, it is easier for Bangladeshis to adapt in Islamic countries, and easier for Islamic countries to accept Bangladeshi workers with the same faith.

Table 2 shows the ratios of dispatched workers (refer to Table 1) by level of skill. From this table we can infer four points: (1) that unskilled workers account for approximately one half of all workers dispatched overseas, and that this trend is relatively stable; (2) that the percentage of partially skilled workers is low but gradually increasing; (3) that the percentage of specialists and technicians is on a decreasing trend; and (4) that the percentage of skilled workers is stagnant at about 30%. The government of Bangladesh has a great influence on these ratios, as we will see.

(3) Objectives for Overseas Dispatch of Workers

Bangladesh is one of the poorest countries in the world, and the people's standard of living is extremely low. If we total unemployed and semi-unemployed workers, more than 30% of all Bangladeshi workers are in a state of unemployment. In other words, one out of three people in the labor population is in a state of unemployment. Bangladesh's balance of international payments is chronically in the red, and remittances from workers employed overseas contribute greatly to alleviating this situation (see Table 1). As can be seen from this socioeconomic situation, the main objectives of the overseas dispatch of workers in Bangladesh are as an

employment measure and for the acquisition of foreign currency. In order to achieve these goals, the Ministry of Labor and Manpower is making efforts at: (1) development of overseas labor markets; (2) promoting the overseas dispatch of workers; and (3) obtaining remittances from dispatched workers.

However, technicians and skilled workers are essential human resources for Bangladesh's own economic development, so they cannot be dispatched in large numbers. The government's intent is to promote overseas dispatch with a core of semi-skilled and unskilled workers, of which there is an abundance. However, the foreign demand for such unskilled workers is not very strong. This is no doubt the reason that the related governmental agencies and private recruiting companies in Bangladesh stress professional training for workers who are to be dispatched.

(4) Advantages and Disadvantages of Overseas Employment of Workers

As shown in Table 1, remittances from workers employed overseas are on an increasing trend, contributing to improving the balance of international payments. In addition, the increase in the consumer demand of those benefiting from remittances is partially generating a vitalization of regional economies, but this force is not so great as to affect the national economy as a whole. However, it is accurate to say that the overseas dispatch of workers generates major economic benefits.

On the other hand, it also causes problems. Successful overseas employment generates rags-to-riches stories. When others see the fine houses built by successful overseas workers, their desire to work overseas naturally grows. However, not all workers are so successful. A number of factors for uncertainty exist, including malicious brokers, disease or labor accidents overseas, and so on.

In addition, even if workers have saved up a little money when they return to Bangladesh, there is no economic environment for using this as capital for opening businesses. Furthermore, economic development (industrialization) is not progressing, and the number of promising employment opportunities is by no means sufficient. Thus, despite the techniques and skills required abroad, many returnee workers become unemployed in Bangladesh. Their savings are spent up on daily expenses and wasteful uses, and are rarely used to start new businesses or as capital for development. After spending all their savings, these workers once again look to overseas employment.

This situation fosters an "all or nothing" gambling type attitude in the people. Some point out that a portion of the Bangladeshi people are losing a healthy attitude towards work.

(5) How Japan is Concerned

In January, 1989, Japan abrogated the mutual visa exemption agreement with Bangladesh. From this fact we can see that the number of illegal Bangladeshi workers in Japan is quite substantial. However, strengthening entry restrictions produces the inverse effect of increasing the number of illegal entrants, and is not a fundamental resolution. It is necessary to understand the socioeconomic situation of Bangladesh in order to establish effective measures.

Bangladesh is facing such problems as delayed economic development, large numbers of unemployed and a low standard of living. These problems are further aggravated by population growth and Islamic doctrine. The key industry of Bangladesh is agriculture, and some 90% of the population lives in agricultural areas. The rate of growth of the population in these areas is higher than in cities. In addition, according to Islamic principles farmland is divided equally among sons upon the death of the father. The combined effect of these two factors leads to a fractionalization of farmland, and as a result poor farmers leave agriculture and the numbers of agricultural workers and slum dwellers increase. In other words, poverty is reproduced through the socioeconomic system and demographic factors.

It is under these circumstances that Bangladeshi workers seek employment abroad. Unless this situation is reformed, the number of illegal Bangladeshi workers in Japan will doubtlessly not decrease. Thus, Japan should actively cooperate for the development of Bangladesh, through such things as economic cooperation and technical training. However, it must not be forgotten that the eradication of poverty is a problem of the Bangladeshi people themselves. Bangladesh cannot be expected to develop and the outflow of workers overseas to stop without the efforts of the people of Bangladesh. In other words, it is the side exporting workers which holds the key to the solution of the problem of foreign workers, not the side importing these workers. This is the difficult peculiarity of this issue. Though many people have recently been pleading the case for the "opening of Japan", the above point should be taken into careful consideration.

References

Muinuddin Khan (ed), *Labour Administration ; Profiles on Bangladesh*, International Labour Organization, Asian and Pacific Regional Centre for Labor Administration, Bangkok, 1987.

Bangladesh Economic Survey 1986/87, Ministry of Finance, Dhaka, June 1987.

World Tables, World Bank.

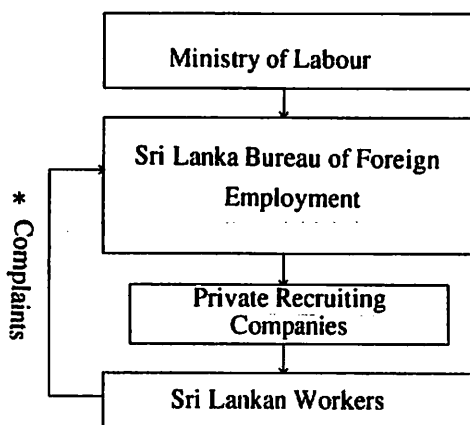
Nasi Uddin Ahamad, *Landlessness in Bangladesh*, University Press Limited, Dhaka, 1988.
Abdul Hye Mondal, "Rural Industrialization as a Tool for Rural-Urban Integration in Bangladesh", *BIDS Research Report*, No. 84, December 1988.

Others.

World Tables, World Bank.

8 Sri Lanka

I. Overseas Dispatch Mechanism



II. Dispatch Situation

Table 1 Trends in numbers of workers dispatched
(Units: persons)

	1986	1987	1988	1989	1990
Specialists	68	34	60	122	120
Intermediate professions	1,138	1,445	1,244	1,466	1,676
Skilled	3,619	3,413	4,551	6,849	11,152
Unskilled	5,793	5,405	4,592	4,647	8,854
Housekeepers	5,174	5,062	7,367	11,640	20,822
Others	17	0	0	0	0
Total	15,809	15,359	17,814	24,724	42,624

Source: Based on statistics of the Sri Lanka Bureau of Foreign Employment.

Table 3 Dispatch destinations (Units: persons)

	1988	1989	1990
Saudi Arabia	7,621	10,180	22,582
Kuwait	4,296	6,031	4,314
United Arab Emirates	3,359	4,920	7,951
Bahrain	405	818	1,297
Oman	667	1,395	3,021
Singapore	793	691	689
Others	673	689	2,770
Total	17,814	24,724	42,624

Source: Same as Table 1.

Table 2 Remittances

Year	Amounts remitted (millions of Rs)	Percentage of exports
1970	18	1
1971	20	1
1972	24	1
1973	48	2
1974	54	2
1975	60	2
1976	108	2
1977	190	3
1978	610	5
1979	935	6
1980	2,518	14
1981	4,430	21
1982	6,024	28
1983	6,916	28
1984	7,653	20
1985	7,920	22
1986	8,873	26
1987	10,324	25
1988	11,194	24
1989	5,406	24
(up to June)		

Source: Same as Table 1.

(1) Overseas Dispatch Mechanism

The small south Asian country of Sri Lanka has recently been sending large numbers of workers overseas, particularly to the Middle East. The mechanism responsible for dispatching workers overseas consists of three parts: (1) the Ministry of Labour; (2) the Sri Lanka Bureau of Foreign Employment, under the Ministry of Labour; and (3) private recruiting companies.

It goes without saying that the organ at the center of this mechanism is the Sri Lanka Bureau of Foreign Employment. The responsibilities of this Bureau are: (1) the licensing of private recruiting companies; (2) the screening and authorization of worker dispatch proposals by private recruiting companies; (3) management and supervision affairs involved in overseas dispatch, such as the handling of complaints from dispatched workers; (4) training of workers. Of these duties, it is that of handling complaints that characterizes the Sri Lanka Bureau of Foreign Employment. This is a system by which the Sri Lanka Bureau of Foreign Employment, having received complaints from dispatched workers about infractions of contracts or non-payment of salaries, works together with the private recruiting companies which dispatched the workers to solve the problems.

It is the private recruiting companies which directly handle the business of recruiting for overseas employment. In the two years after 1978 when the exit permit system was abolished in Sri Lanka, there were absolutely no restrictions on agents for overseas employment, and private recruiting companies could do business freely. In 1980, however, the Foreign Employment Agency Act was established, and in 1985 it became necessary for all private recruiting companies to obtain licenses issued by the Sri Lanka Bureau of Foreign Employment.

(2) Outflow of Workers

Table 1 shows the number of workers dispatched overseas by private recruiting companies in recent years. These numbers have increased in an accelerating fashion, from 16,000 in 1986 to 43,000 in 1990. However, these are only the numbers of workers dispatched through rightful private recruiting companies, that is private recruiting companies licensed by the Sri Lanka Bureau of Foreign Employment, and the number of workers dispatched through other routes is not known. It is said that these numbers account for only 40% of all workers dispatched overseas, including those dispatched illegally.

With the increase in foreign employment, remittances from workers abroad are also increasing. Table 2 shows this trend. As can be seen, the total amount of remittances is rising

yearly. Increases are particularly marked from 1978 on. With this, the importance of remittances as a source for acquiring foreign currency is also increasing abruptly. The percentage of remittances with respect to total exports has reached 25% or 1/4 from 1986 on. Remittances from workers overseas are now a substantial source of foreign currency.

Through the first half of the 1970s, overseas employment was limited to the educated privileged classes, and the number of Sri Lankans working abroad was not significant. It was in 1978 when the exit permit system was abolished that foreign employment began in earnest. This is indicated by the abrupt increase in remittances from 1978 on seen in Table 2. Thus, it is only quite recently that employment abroad has begun to flourish.

The trigger was the oil boom in Middle Eastern countries in the 1970s. This is apparent from the numbers of overseas workers by country, shown in Table 3. As this table indicates, the foreign destination for the vast majority of Sri Lankan workers is the Middle East. The only other country with a conspicuous number of Sri Lankan workers is the small Asian country of Singapore.

There are other reasons why Sri Lankan workers overseas are concentrated in the Middle East. The major of these is religion. Sri Lanka is a Buddhist country, but also contains a fair number of Moslems (some 7% of the population). The religion of Middle Eastern countries is Islam. Islam has strict religious precepts which greatly affect the daily life and customs of its followers. Because of this, it is easier for Middle Eastern countries to people with a similar religion and customs. In addition, Sri Lanka was previously a British colony, so many understand English. It is thus easy for Middle Eastern countries to accept Sri Lankan workers.

Finally, let us look at the level of skill of overseas workers. Table 1 shows the numbers of overseas workers by level of professional skill. As can be seen, the numbers of specialists and unskilled workers finding employment abroad fluctuate greatly from year to year. The increase in the number of intermediate professionals is extremely slow. The two categories displaying stable increases are skilled workers and housekeepers. The ratio of housekeepers among the total of dispatched workers is particularly high. In addition, we can see that housekeepers and unskilled workers together account for more than half of all dispatched workers.

To sum up what we have seen thus far, we could say that the core of overseas workers from Sri Lanka, the numbers of which are growing rapidly in recent years, consists of housekeepers and unskilled workers moving to Middle Eastern countries.

(3) Objectives for Overseas Dispatch of Workers

In Sri Lanka, where economic development is conducted under governmental management, the industrial sector is not sufficiently developed, and there is a chronic excess of imports

in the balance of international payments (ordinary revenue and expenditure). Because of this, remittances from overseas workers is an important source of foreign currency, as mentioned previously. The problem of unemployment is also severe (11.7% in 1981/82), and few can find satisfactory employment, even having graduated from college. In addition, as shown by the per capita GNP of \$420 (1988), the standard of living is extremely low. The Sri Lankan government takes a cautious attitude toward overseas dispatch, but at the same time promotes it actively. There are three reasons for this, as can be inferred from the above explanation: (1) for the acquisition of foreign currency; (2) to alleviate the problem of unemployment; and (3) to deal with the problem of poverty.

In order to promote the overseas dispatch of workers, the government set up the Sri Lanka Bureau of Foreign Employment. However, circumstances particular to Sri Lanka were involved in this. There are many cases in which foreign employment is a failure, but it is also true that it can result in quick fortunes. However, those who could work overseas were limited to specific classes with higher levels of income, education and social position. Thus, it was a major issue for the government to correct this imbalance and achieve equal foreign employment opportunities.

(4) Advantages and Disadvantages of Overseas Employment of Workers

As can be seen from Table 2, remittances from overseas workers are contributing to the acquisition of foreign currency in Sri Lanka. In addition, though in a limited fashion, it is true that the increase in the number of overseas workers (see Table 1) is alleviating the problem of domestic unemployment. Furthermore, it is also true that remittances from overseas support the livelihood of the workers' families in Sri Lanka and help improve their standard of living. The overseas dispatch of workers thus generates many economic benefits for Sri Lankan society.

However, there are also various adverse effects to foreign employment. Some typical examples are: (1) the activities of malicious brokers; and (2) destruction of the family. The numbers of overseas workers known by the Sri Lanka Bureau of Foreign Employment include only those who are legal (see Table 1), and it appears that these only consist of 40% of all Sri Lankan overseas workers. Thus, the remaining 60% have left the country relying on illegal routes. Because of this, the risk of being cheated by malicious brokers in Sri Lanka and abroad is great, and cases of workers cheated out of agency commission fees or abandoned overseas abound.

The second problem is that of destruction of the family. As previously mentioned, housekeepers are one core of overseas workers. Many of these are housewives. Couples are thus

forced to be separated for long periods of time, creating a variety of problems. In addition, when these housewives return to Sri Lanka with large quantities of money, problems arise in relations between them and their husbands on how to deal with this money. Such factors lead to the destruction of the family.

Such social issues related to foreign employment are currently becoming pronounced. In order to eliminate them, it is of course necessary to abolish overseas dispatch. However, in order to do so it is first necessary to deal with various domestic issues, such as: (1) the promotion of economic development; (2) solving the problem of unemployment; and (3) eradicating poverty. It is no doubt extremely difficult to resolve these social issues at the current point in time.

(5) How Japan is Concerned

As far as various statistics indicate, the number of Sri Lankan workers currently in Japan appears to be extremely low. However, if we consider the recent international situation, there is a matter which Japan must pay particular attention to -- the recent Gulf War. As can be understood from the above explanations, the vast majority of overseas Sri Lankan workers are in Middle Eastern countries. In other words, most of these workers have lost their jobs due to the recent war. Unless the employment situation in Middle Eastern countries improves, there is the possibility that many workers will surge to Japan. From historical experience, we know that restricting the influx of foreign workers at the shore is an extremely difficult operation. To prevent this problem from becoming more complicated, and to reduce incentives for international migration, Japan should actively cooperate for the socioeconomic development of Sri Lanka.

References

Sri Lanka Bureau of Foreign Employment statistics.

Seiko Sasaki, "The Wind from Asia", *Asahi Shimbun-sha*, May, 1991.

Toshio Naito, "Isuru Soya", *Dobunkan*, October, 1990.

Others.