

DRAFT – NOT FOR QUOTATION

Regional Integration and Migration in the Greater Mekong Sub-region: A Review¹

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Introduction

Increasing interconnectivity of goods and labor markets in an unbalanced global economy is spurring migration movements across the world. In the last decades, international migration has grown in volume and complexity, expanding to an unprecedented range of countries and socio-economic groups, and enclosing a myriad of migration flows of a very diverse nature, and whose boundaries are not always clear, nor static. Permanent and temporary flows, involving both skilled and unskilled labor, documented and not, today feed multiple migratory circuits, of which migration to Europe and the United States is only one, albeit the most visible, circuit. Recent estimates suggest that a significant portion of international migration actually occurs in the southern hemisphere, with South-to-South migrants as numerous as North-to-South migrants (UN 2006:33).

Asia, with its high-income countries and rapidly industrializing centers rising amidst widespread poverty, is a primary locus of intra-regional migration. In 2005, it hosted 28 percent of the world's migrants—the second highest proportion in the world after Europe and before Northern America—of whom a majority came from within the continent (UN 2006). Large scale inter-Asia migration started in the 1970s from disadvantaged areas to the capital-rich but labor-short states of the Gulf region, and was compounded in the 1980s by growing demand for unskilled labor in Newly Industrialized Countries (NIC) in East and Southeast Asia (Asis 2005:2-3). As socio-economic conditions change and new poles of attraction emerge, additional or reshaped migration systems crystallize around dynamic and intricate labor flows that still need to be better understood.

This paper will focus on one of these evolving intra-regional circuits, discussing labor migration in the Greater Mekong Sub-region or GMS, an emerging economic area encompassing the watershed of the Mekong River and comprising Cambodia, Laos, Myanmar, Thailand, Vietnam and two provinces of southern China—Yunnan and Guangxi. After years of relative in-country isolation, millions of people are today on the move in the GMS, striving to adapt their livelihoods to meet their basic needs and to achieve stability for themselves and their families. This increased mobility, it will be argued, is intrinsically linked to regionalization efforts initiated in the mid-1990s and now gaining steam as a favored development option for fostering economic growth in the sub-region.

More particularly, the first three sections of the paper will argue that in the GMS labor movements of people within and across borders are shaped by the rapid expansion of infrastructure and the intensifying of financial, trade, and

¹ This paper is based on a report on Labor Migration in the GMS prepared last September for the Rockefeller Foundation. The views expressed here are those of the authors.

information flows in the GMS, in combination with growing geo-political and socio-cultural inequities created in the process of regional integration. The resulting migration dynamics will be further examined in the paper's fourth section before concluding with some speculations on future migration trends in the GMS. Before proceeding, it is important to note that the paper does not aim at being an exhaustive review of migration in the GMS, opting to concentrate mainly on the socio-economic context of labor migration in the sub-region and its macro dynamics.

Market Integration Transforms Migration Systems in the GMS

Population mobility is not a new phenomenon for the countries of the GMS, but the nature and size of past flows were quite different from current ones. In old times, population movements within the sub-region occurred primarily as part of the expansion of frontiers, with resettlement of populations defeated during warfare an important form of movement. As national boundaries were not yet established, ethnic minority groups living in border areas moved freely. From outside the sub-region, large numbers of Chinese and, to a lesser extent, Indians came to mainland Southeast Asia and assimilated with local populations. More recently, political conflict and civil war throughout the GMS have compelled large numbers of persons to seek refuge in the relatively stable environment of Thailand. These included an influx of Kuomintang Party followers from China in 1949; Vietnamese in 1959 and again in 1975 together with refugees from Laos and Cambodia; and, since as early as 1972, an ongoing flow of people from Myanmar. The mid-70s to early 90s was a period of isolation for most GMS countries that significantly reduced cross-border movements, with the exception of the continuous flow of displaced persons and refugees from politically unstable Myanmar to Thailand (Hughes & Punpuing 2005:9-10). It was in the mid-1990s, however, that the GMS started to witness an unparalleled increase in population mobility and a shift in migration flows from politically to economically motivated.

One of the major forces underlying this transformation has been the process of regional integration spurred by the Greater Mekong-Subregional (GMS) Cooperation Program launched in 1992 by the governments of the six riparian countries with the support of the Asian Development Bank and other international bodies. Differently from previous sub-regional cooperation efforts initiated as early as 1957 by the Mekong Commission (now called Mekong River Commission), the GMS Cooperation Program goes beyond joint management of the shared waters of the Mekong, putting forward a comprehensive development plan for the entire sub-region (Masviriyakul 2004). The proposed economic framework aims to foster liberalization and integration of national markets, and to maximize sustainable use of the sub-region 'resource-base' in pursuit of economic growth for the entire GMS. Linking less developed economies to more dynamic ones in the grouping, the Cooperation Program offers participating countries an opportunity to strengthen their competitive position as a trading bloc in the global economy, while enhancing energy security and regional stability (ADB 2005; 2006).

Ongoing integration efforts at the sub-regional level also benefit from increased participation into larger regional and global economic systems. In the second half of the 1990s, Vietnam, Laos, Cambodia and Myanmar all gained access to the Association of Southeast Asian Nations (ASEAN) and its ASEAN-Free Trade Agreement (AFTA), joining Thailand, which had become a founding member in 1967 (Menon 2005:4). Again at a distance from initiating member Thailand, China, Cambodia and Vietnam recently acceded to the World Trade Organization (WTO), with Laos expected to follow in the near future. In this process, the political and economic isolation from international commerce and interaction that characterized most of the countries of the GMS up to the early 1990s is being broken, and borders opened to allow circulation of goods and investments in the region and beyond.

To stimulate and take full advantage of economic opportunities arising from fuller integration in the regional and global economy, a system of transnational rail and road routes that links transport systems, power grids and markets across and beyond the sub-region is being created. So-called “economic corridors” are meant to facilitate cross-border trade among GMS countries and broaden their trade reach to their powerful neighbors, thus making the sub-region a vital gateway between China, India and other ASEAN countries. Currently, three “economic corridors” (North-South Economic Corridor, East-West Economic Corridor, and Southern Economic Corridor; see figure 1) and a number of alternative routes linking major cities and ports across the sub-region are being built. In addition there are efforts afoot to increase the navigability of the Mekong River for trade and tourist purposes (ADB 2006).

Figure 1: GMS Economic Corridors (ADB 2006:29)



This extensive infrastructural structure integrating all GMS countries into an unique "growth area", is one of the most tangible signs of the rapid pace of regional integration, and one that deeply affects people's mobility, facilitating in-country and—in tandem with visa harmonization and cross-border transport facilitation— intra-regional travel. As visa requirements are being relaxed, the numbers of inbound visitors across GMS land borders are climbing steeply, with a growing number making use of border-passes, which can be obtained at checkpoints by showing an identity card, formally to visit neighboring countries for tourism and business purposes, but de facto also to search for labor. A report for the Asia Development Bank estimates, in 2004 alone, a 19 percent increase of border pass holders to neighboring border provinces for an impressive total of 24 million visitors (APP Inc 2005:27). Exact numbers on the proportion of migrants are not known, but it is well researched that GMS daily laborers and peddlers in border towns travel come across with border passes, and that in Thailand, longer term migrants enter the country with short-term border passes and eventually overstay (Hughes & Punpuing 2005: 8, 54; WB 2006:52).

Besides facilitating movement, and hence migration, infrastructure development and the related growth of the transportation sector also directly create job opportunities for mobile work forces, including bus and truck drivers and migrant construction workers. In the Second Mekong International Bridge Construction Project, for example, 1,300 laborers were employed and traveled between Laos and Thailand to work at the construction of the 1,600 meter-long bridge connecting the two countries as part of the East-West corridor (MOFAJ 2006, Column II/4). Construction companies from Thailand and China working in Laos, the land-linked country in the middle of the GMS where much of the road construction is happening, often bring their own workers to the sites and establish construction settlements, some of them consisting of thousands of migrants.²

In some cases, infrastructural development 'push' people to move by impinging on their environment and affecting their livelihoods. New-built roads and bridges connect villagers in remote and isolated communities to a world where their agricultural skills do not easily transfer and where few coping mechanisms are available, landing them into conditions of poverty and motivating them to seek for alternatives. Construction and other development projects also at times imply displacement and resettlement of local communities, especially ethnic minority populations, which may result in migration of those who have lost their land and other sources of livelihood, or who find their new places of residence untenable or unacceptable (AMC & MMN 2005).

The most far-reaching impact of infrastructural integration in terms of cross-border migration, however, is the interlinking of previously confined neighboring markets regionally and their becoming physically accessible even to people in far away locations. The spread of transportation and communication infrastructures reduces distances and facilitates interaction between sending and

² Lao Connection. Com at http://laoconnection.com/advice_050815.htm and French Centre for Research on Contemporary China at www.cefc.com.hk/uk/pc/articles/art_ligne.php?num_art_ligne=1305

receiving countries, lowering the costs of migrating abroad and enabling stronger transnational networks to support the migration process. And this, at a time when the population can better appreciate, through the mass media and other communication channels, the differences in lifestyles across the sub-region and the opportunities for jobs now within their reach.

Disparities Amid Growth

Integration efforts are producing the envisioned impacts of fostering intraregional trade and investments. Cross-border trade is on the rise, having attained in 2004 levels 11 times higher than in 1992 (ADB 6:1). In the same year, three of the countries —Laos, Cambodia and Myanmar—conducted more than 40 percent of trade among them, and their exports to Thailand increased by an annual compound growth rate of almost 10 percent (an average maintained since 2000). And this, without taking into account informal cross-border trade, estimated to be equivalent to 30 to 50 percent of the official trade's volume. Likewise, net foreign investment flows from the six countries to Cambodia, Lao PDR, Myanmar, Thailand, and Viet Nam almost doubled from \$130 million in 2000 to about \$210 million in 2002 and there are indications that they have continued to grow in successive years (Menon 2005:3).

These mutually reinforcing trends contribute to the sub-region's overall economic growth. In 2005, the GMS experienced a robust 8 percent increase,³ with Cambodia, Laos and Vietnam having the highest recorded growth since the start of the decade thanks to a robust agricultural sector performance, strong export growth, and a rise in investments. In a parallel and interrelated, trend, poverty incidence has declined over the past 12 years, with reductions most pronounced in Thailand and Viet Nam (ADB 2006:1-2; see table 1).

Table 1: Income, Poverty and Distribution Indicators for GMS Countries (ADB 2006:3)⁴

	Per Capita GDP		Poverty Incidence and Magnitude						Gini Coefficient	
			National Poverty Line		\$1-a-day Head Count Ratio (in %)		\$1-a-day Magnitude (in million)			
Year	1992	2005	1992/93	Latest	1990	2003	1990	2003	Earliest	Latest
Cambodia	220	393	39.0	34.7	46.0	33.8	4.0	4.5	0.37	0.45
PRC	293	842	7.8/23.8	3.4/7.9	33.0	13.4	377.0	173.1	0.31	0.35
Lao PDR	271	491	46.0	32.7	52.7	28.8	2.2	1.6	0.29	0.37
Myanmar	--	176	--	26.6	--	--	--	--	--	--
Thailand	1,945	2,727	23.2	9.8	10.1	0.7	5.7	0.4	0.54	0.50
Vietnam	144	622	58.1	19.5	50.7	9.7	33.4	7.9	0.18	0.22

Amid this impressive growth, however, poverty remains widespread still affecting 55 million people (1 in every 5 persons in the sub-region) and socio-economic disparities continue to persist, as benefits and costs of development have not been shared equitably among the inhabitants of the GMS (ADB 2004:105, 117). At the sub-regional level, Thailand, Vietnam, and China show the biggest proportionate gains with regards to trade, investment and economic

³ For China, only figures for its two provinces in the GMS were used in calculating the average GDP growth.

⁴ The table is provided as indication only as data across countries are not consistent in years and methodologies. For detailed explanations see source.

growth (Athukorala, Manning & Wichramasekara 2000:10-38), while Cambodia, Laos and Myanmar—to this day among the 14 least developed countries in Asia—are unable to fully participate in the emerging market system from their disadvantaged position. Thailand, in particular, stands out among the group, with a per capita GDP in 2005 of more than double the average regional income of \$875, and about fifteen times that of Myanmar, seven times that of Cambodia, five times that of Laos, four times that of Vietnam and three times that of the two Chinese provinces of Yunnan and Guangxi (see figure 1 above).

Thailand also performs better than its neighbors in terms of human development. Thai people enjoy higher levels of education, health, and social welfare, and have greater access to safe drinking water and sanitation. The number of poor is much smaller than in other GMS countries, and maternal and infant mortality is strikingly low when compared to Myanmar, Lao PDR and Cambodia (see table 2). These accomplishments are recognized by the Human Development Index (HDI) a composite measurement of 175 countries' performance in three basic dimensions of human development: a long and healthy life, knowledge, and a decent standard of living. At present, all GMS countries belong to the intermediate group with medium-level human development outcomes, but Thailand's tops the sub-regional rank at 74, followed by China at 81, Vietnam at 109, Cambodia at 129, Myanmar at 130, and Lao PDR at 133 (UNDP 2006).⁵

Table 1: Social Indicators of GMS Countries (Source ADB 21-24; WB 2006:16)

Latest Year (2004 unless otherwise stated)						
	Cambodia	China	Lao PDR	Myanmar	Thailand	Vietnam
Total Fertility Rate	4.6	1.8	4.6	2.8	1.7	1.9
Maternal Mortality Ratio (per 100,000 live births)	437 (2000)	50 (2001)	530 (2000)	100 Urban 180 Rural (2001)	24 (2002)	165 (2002)
Infant Mortality Ratio (per 100,000 live births)	96 (2002)	31 (2002)	87 (2002)	48 Urban 50 Rural (2001)	22 (2002)	30 (2002)
Life Expectancy at Birth						
- Female	60	74	56	60	75	72
- Male	55	69	54	55	68	67
Adult Literacy (%)	74 (2004)	91 (2002)	66 (2002)	92 (2001)	93 (2000)	90 (2002)
- Female	64 (2004)	86 (2002)	56 (2002)	91 (2001)	90 (2000)	87 (2002)
- Male	85 (2004)	95 (2002)	77 (2002)	92 (2001)	95 (2000)	94 (2002)
Ratio of Girls to Boys, Secondary School	58	71	62	97	93	87
Population with Access to Safe Water (%)	30 (2000)	75 (2000)	37 (2000)	89 Urban 65 Rural	97 Urban 91 Rural (2000)	56 (2002)
Population with Access to Sanitation (%)	21(2000)	40 (2001)	30 (2000)	83 Urban /56 Rural (2000)	99 Urban / 97 Rural (2000)	47 (2000)
Human Poverty Index	74 (2002)	24 (2002)	66 (2002)	45 (2002)	22 (2002)	39 (2001)

⁵ <http://hdr.undp.org/hdr2006/statistics/indicators/10.html>

Within countries, socio-economic gaps not only persist, but are actually widening as expressed by the rising Gini Coefficients (see table 1). Poverty is consistently higher in rural areas than in urban areas, with the highest incidence in remote, upland areas where ethnic communities live. In all countries, ethnic minority groups fare worse than majority populations on almost every indicator of well-being, and have the highest rates of poverty, illiteracy, and maternal and child mortality (ADB 2004:105, 107). Excluded from economic mainstream, they are also at risk of losing their habitat, and thus their livelihoods, due to the targeting of mountainous areas for infrastructural development and resource exploitation.

Regionalization is also not benefiting women to the same degree it is benefiting men, because macroeconomic reforms brought about by market integration and liberalization do not sufficiently take into account gender asymmetries in education, employment, and access to resources. A process of 'feminization' of poverty is underway in which an increasing number of poor in rural areas and in new urban settings are women. Women's relatively high representation in the lower-wage agricultural sector and in the more insecure informal sector, together with disparities in status and remuneration conditions in the industrial sector are among the reasons why poverty in the GMS region is increasingly feminized. As the GMS is transformed, women seem to have "become more vulnerable to poverty, in all its dimensions, and less able to get out of poverty once in it" (Ichsan 2004:50).

Uneven Development Spurs Migration

The multiple disparities and uneven spread of opportunities in the GMS are related to the urban and industrial bias in national and sub-regional development. The GDP of each GMS country is increasingly earned in urban or peri-urban industrial areas, notwithstanding the fact that a large proportion of the GMS population —ranging from approximately 50 percent in Thailand to over 80 percent in other countries in the sub-region— is still engaged in low-earning agricultural activities in rural areas. The robust manufacturing and service sectors have spurred concentrated high-wage, high-income, urban areas that grow at a much faster rate than the much larger low-wage, low-income, agriculture-dependent countryside. As the economy grows, the gap between more developed and less developed areas continues to widen. In Thailand, for example, the metropolitan area of Bangkok and part of the Central Region alone claimed 72 percent share of the country's GDP in 2004, thanks to the robust manufacturing and service sectors, a steady increase from 70 percent in 2002 and 60 percent in 1996 (Richter 2006:38-40).

The shift of resources to the industrial and service sectors, coupled with the intensification of capital- and technology-intensive commercial agriculture, is widening the urban-rural divide and fostering large-scale movements of rural dwellers to the cities. Unable to access and compete in emerging cash crop markets due to a lack of capital, productive land, tools and technological know-how, farmers are pulled to the emerging growth centers becoming a source of low-wage labor for the rapidly expanding urban economy (DAN 2003). China and

Vietnam, in particular, are in the midst of this urbanization process, while Laos, Cambodia and Myanmar are at a relatively early stage and Thailand is in the process of stabilizing its transformation to an urban-based society, with internal migration flows leveling off after having peaked in the 1980s.

As the most advanced in the shift from an agricultural to a production and export-driven economy, Thailand has the most established and diversified industrial base in the sub-region. Thailand's industrial and service sectors, accounting in 2004 for 91 percent of the country's GDP, are larger and more closely integrated in the global market than those of other GMS countries (Athukorala, Manning & Wickramasekara 2000:6; Richter 2006:19). The outpacing of the agricultural sector's growth by manufacturing and services that started to occur since the mid-1970s in Thailand, only begun in the 1990s in China, and has not yet happened in the other GMS countries (ADB 2004:117). Vietnam is currently in the process of turning into an industrial country, and Cambodia, Laos, and Myanmar, with limited industrial development and foreign investments, remain highly dependent on agriculture and natural resources for their growth.

These varying degrees of industrialization, coupled with divergent demographic trends, have produced a differentiated sub-regional labor market. Thailand's expanding labor-intensive manufacturing export sector and the market-oriented agriculture sector require large number of unskilled workers, but this demand is not adequately met. As in other mid-level income countries, lower-paying, lower-status and more physically demanding jobs have become less attractive to a higher educated population, resulting in labor shortage in low-skilled occupations. This even in agriculture, which has been left deserted by rural residents flocking to work in town and cities, or abroad (Athukorala, Manning & Wichramasekara 2000:39, 77). The demographic transition Thailand is undergoing exacerbates the labor shortage since declining birth rates reduce the number of Thais newly entering the labor force. With an average annual population growth rate of only 0.8 percent, the level of the working age population is stagnating and it is expected to become negative at the beginning of the next decade, while work force needs continue to augment (Athukorala, Manning & Wichramasekara 2000:42; WB 2006:18).

Neighboring countries, instead, have much larger youth populations --60 percent of the people in Cambodia and 50 percent in Laos are aged less than 20 years, while Thailand's percentage is about 30 percent-- that are still expanding at growth rates of 1/1.5 percent (China and Vietnam) to above 2 percent (Laos, Myanmar and Cambodia (ADB 2004:6). This implies a growing working age population, putting pressure on the economy to absorb ever larger numbers of labor force entrants each year (WB 2006:18). Employment opportunities are, however, scarce, and mostly in subsistence agriculture, and the workforce is not or poorly trained due to poverty and low quality infrastructures resulting in a surplus of unskilled labor.

In the words of Athukorala, Manning & Wichramasekara (2000:3) "It is precisely the relative shortage of unskilled workers in Thailand, in a regional context of surplus rural workers in other GMS countries, that has provided an

incentive for substantial migration flows within the region". Wage differentials in the unevenly prosperous sub-region do the rest. Thailand is the only country in the GMS where real wages have gradually started to raise due to the scarcity in unskilled labor, including in agriculture with real wage for unskilled jobs more than tripling between 1985 and 2003 (WB 2006:16; Athukorala, Manning & Wichramasekara 2000:3) Labor-intensive industries, under harsh competition in the global market, try to keep wages down by taking advantage of cheaper and abundant labor from across the border, while for poor people in neighboring countries, the suppressed wages, still higher than in their country, are appealing enough to compel them to migrate in search of job opportunities abroad.

Internal and Intra-regional Labor Migration Flows

The rural-urban divide and the uneven industrial development in the sub-region—in combination with infrastructural improvements creating the conditions for large-scale movements within and across countries—provide the context for labor migration in the GMS and the increase in the volume and the directions of the flows. As GMS countries become more integrated and industrialized, internal and intra-regional migration flows are expanding and becoming more interlinked. A "two-step" (village to town and to foreign country) pattern is emerging, in which experiences of internal and temporary migration support decisions to migrate across borders or further abroad, and for longer periods of time, although one-step (village to foreign country) moves can also be observed, especially for migrants living close to the borders.

The largest and growing migration flow in the GMS is still within national borders, with more and more people moving from rural and often remote areas to cities and other growth centers as countries undergo structural changes in their economies. As previously mentioned, urbanization is peaking in Vietnam and China, with unprecedented numbers of internal migrants currently leaving the countryside and looking for jobs in the booming industrial and service sectors. In Vietnam census figures show that at least four and half million people migrated internally in the second half of the 1990s in search of better opportunities in richer rural areas, or in growing urban centers (Dang Nguyen Anh 2001:34; Dang Nguyen Anh & Tacoli 2003:i). Estimates for China place the number of internal migrants at 200 million, of which more than 120 million work in cities and the rest in towns. It is expected that 13 million rural dwellers every year will migrate to urban and semi-urban areas as China approaches an urbanization level of 56 percent.⁶

Although at a more limited scale, also in other GMS countries people are on the move, if not to urban areas to more developed tourism and commercial agriculture locations throughout the country. In Cambodia, for example, internal migration is increasing "in virtually every form: seasonal migration from rural to urban areas to supplement agricultural income; internal migration between rural areas ..., predominately from provinces with high rural population densities; [and] migration from rural to urban areas, particularly to the capital city, Phnom Penh".⁷

⁶ People Daily Online, March 8, 2007 at http://english.people.com.cn/200703/08/eng20070308_355509.html

⁷ Adapted from USAID-Cambodia's website at http://www.usaid.gov/kh/development_challenge.htm

Internal migration is acquiring a woman face. The observed feminization of poverty in the sub-region, is leading to a growing number of women migrating and entering the work force in emerging industries. Following the same path as Thailand forty years ago, the other GMS countries are currently shifting from an agricultural and primarily seasonal male migration pattern to an increasingly female and longer-term migration pattern to fulfill the demands of the service and export industry driven economy and labor markets. Cambodia's recent economic growth has been driven largely by its garment and textile industry, which employs over 200,000 largely female migrants from rural areas. Similar trends are emerging in other GMS countries such as Vietnam, Laos, and Myanmar (AMC 2005).

As cities, towns and other economic centers reach their absorptive capacity, and wage conditions in national industrial areas do no longer appear sufficient, further relocation of labor may take place across the sub-region, contributing to the emergence of intra-regional migration. Now that distances have been shortened, more entrepreneurial migrants opt to cross the borders to take advantage of higher wages in neighboring countries. Those living close to borders, and far from cities, may directly migrate abroad to take advantage of the many Export Processing Zones (EPZ) and trading markets that have cropped up in border areas as a result of market liberalization.

In this context, those countries where the manufacturing and service sectors are poorly developed and, therefore, with a limited capacity of absorbing the abundant labor supply, are more prone to become sending countries in intra-regional migration circuits, while those more advanced in the industrialization process and with a capacity of absorption surpassing the available labor supply become receiving countries. Today, intra-regional migration flows in the GMS mainly consist of migrants from the least industrialized GMS countries (Myanmar, Laos and Cambodia) to the most industrialized one, Thailand, while the rapidly industrializing countries of China and Vietnam still offer relatively more opportunities to internal migrants, and are thus less involved in intra-regional migration.

Exact figures are lacking, but the Mekong Migrant Network (MMN) calculates that in 2005, 70 percent of the estimated 1.8 to 4 million cross-border migrants in the GMS were from Laos, Cambodia and, especially, Myanmar to Thailand, with the remaining percentage migrating to their closest neighboring country, and eventually transiting to a further location (see figure 2).

Figure 2: Major Intra-regional Migration Flows in the GMS (MMN & AMC 2006:)



Taking a closer look at intra-regional migration flows to Thailand it can be said that they consist of undocumented, unskilled and vulnerable migrants. GMS governments have to a great extent failed to recognize that the regionalization process is leading to the emergence of a sub-regional labor market and until very recently (see next section) no provision has been made for legal emigration channels. As a result, the majority of migrants have little option but to migrate through irregular means or become irregular in successive phases of the migration process. In Thailand, there are claims that less than one percent of the estimated 1.8 to 3 million migrants from neighboring countries are there illegally, and that about half of these have no legal or valid travel document (Hughet & Punpuing 2006:53). The registration system that grants a temporary work permit to a limited number of migrants—in 2004, 814,247 migrants were issued work permits, 610,106 from Myanmar, 104,789 from Cambodia and 99,352 from Laos—does not attempt to legalize the migrants' status. According to Thai immigration law, they remain "illegal aliens", having entered the country without travel documents or having overstayed their visa (Hughet & Punpuing 2006:9, 53; WB 2006:31).

The irregularity of migrants in the GMS is further compounded by statelessness and trafficking. A significant proportion of irregular migrants to Thailand are ethnic minority people, with migrants from a multitude of ethnic groups in Myanmar representing the greatest numbers. Their residing along border areas and their disadvantaged living conditions are conducive factors to migration. As they lack citizenship in their countries of origin, they are a-priori precluded from acquiring identity and travel documents necessary for migrating regularly, thus becoming vulnerable to exploitation and trafficking. More generally, migrants may experience trafficking, and thus illegality, at various points of the migration process, at recruitment, on transit and on arrival, by

means of threat or violence, but more generally by fraud and deception. Thailand has become a major hub for trafficking from neighboring countries to Thailand and abroad, with estimates for the GMS, ranging from 200,000 to 450,000 for women and children, and no information on the number of men (IOM 2004:1).

Without any identification papers and often after arduous travel from their hometowns, migrants cross the border with the help of relatives, informal contacts and brokers. According to commonly used criteria, they can be classified as “unskilled” or “lower skilled” workers, with educational levels not only lower in comparison to the Thai population, but also to the population in their respective countries of origin, as can be seen when comparing the next figures with table 2 above. In Thailand’s 2004 registration data, 74.1 percent of the applicants had less than eight years formal education (WB 2006: 40). The 2000 Thai National Census reported illiteracy rates to be around 30 percent for Cambodian, 40 percent for Lao, and 76 percent for Burmese migrants, with approximately 30 percent, 33 percent and 80 percent respectively never having attended school (Chamrathirithirong 2006). These levels of literacy and educational attainment are not compensated by other forms of formal training or extensive work experience, partly also due to the young age of the migrant population, a reflection of the previously discussed demographic divide among GMS countries. In Thailand, the 2004 registration data indicate that 56 percent of the applicants were between 15 and 25 years old, with another seven percent under the age of 15 ().

This young migrant work force --composed for 45 percent of women-- caters to the growing demand for unskilled labor to support economic growth, substituting for local labor. Once in Thailand, they are distributed throughout the country via an unofficial recruitment system that facilitates their hiring process. While a large fraction of migrants are employed in border provinces, almost half of them are concentrated in the Bangkok metropolitan area. A majority of migrants ends up working in agriculture (both animal husbandry and land cultivation), domestic service, fish processing and fisheries, textile and garment industry, and construction, with the rest filling a myriad other jobs, including in the entertainment industry and in informal trade (WB 2006:33-38). Irrespective of the occupation, migrants are generally placed in bottom positions under the supervision of Thai workers, in what are often referred to as the “3D” – Dirty, Dangerous and Difficult (some also say Disdained) -- jobs.

Unskilled migrants’ low-wage labor enhances the country’s competitiveness in the global market and subsidizes domestic consumption by helping produce goods and provide services at cheap prices. Still, this significant contribution to the economy of the destination country goes unrecognized, and migrants continue to be unprotected and discriminated against. Due to their illegal status, they have difficulties accessing health and education services and their living conditions are often inadequate. They cannot travel freely (even registered ones are bound to the location of their employment) and they are used as scapegoats for all kinds of social problems, from drug trafficking to deforestation. When they suffer abuses and exploitation, they are unable to seek

legal assistance or appeal to the law, and they live in fear of being arrested and deported (MMN & AMC 2005:109-127; MAP 2006:30-35).

These same characteristics of irregularity, low skill levels and vulnerability also apply to most other intra-regional migrants, seeking to exploit new job opportunities created by regional integration in border towns, export processing zones, and/or by the transfer or contracting of national companies abroad. As previously mentioned, albeit in much smaller numbers, also Thailand's neighbors host workers from across their borders. Cambodia has significant long-term Vietnamese and Chinese populations, mostly concentrated in the capital city of Phnom Penh. Over 150,000 Vietnamese are estimated to be residing in Cambodia with a large proportion coming from bordering provinces. This population is mixed in with the roughly 1.1 million Vietnamese immigrants who relocated to Cambodia between 1985 and 1998 and are still considered irregular. Vietnamese males work in construction and the service industry and many Vietnamese women work in the entertainment industry (MMN & AMC 2005:133-142). Chinese immigrants differ in that they normally work with a contract and have a relatively higher status as semi-skilled and skilled workers. Laos hosts Vietnamese, Thai and Chinese workers, who work in both professional and low-status types of jobs, with many arriving with Thai and Chinese companies investing or working in the country (MMN & AMC 2005:14).

With the normalization of relations between China and its neighbors in the 1980s and the successive phase of regional integration, Yunnan, historically one of the three main Chinese provinces sending migrants to Southeast Asia, has gradually become a recipient of migrants from Myanmar and Vietnam — concentrated in Ruili and Hekou respectively— and Guangxi of migrants from Vietnam. More and more migrants from China also travel in the sub-region and settle near the border, in trading cities or in labor settlements established by Chinese companies. In Myanmar, Asia Time Online reports estimates of a million Chinese residents, most of them irregular, running small businesses throughout northern Myanmar, Mandalay and Yangon, or employed in farming and industrial companies. Market sellers in the border region and towns close to China are also often Chinese.⁸

Not only do migrants travel to neighboring countries as a final destination, they also use them as transit countries before going to other countries within the sub-region or elsewhere. Vietnam is a gateway for migrants from China to Cambodia and Laos, and Myanmar, Laos and Cambodia are transit countries for migrants from Vietnam and China making their way to Thailand. For a small proportion of migrants to Thailand, Thailand is also a transit point to Myanmar (and further to India), Macao, Hong Kong, Singapore and other countries (MMN & AMC 2005). In addition, even if outside the scope of this paper, it is important to mention regulated international migration flows from GMS countries to countries outside the sub-region. In particular, Thailand and to a lesser extent Vietnam have official labor export programs to send somewhat more skilled laborers to richer economies in Southeast and East Asia and, in decreasing numbers, to the Middle East. When these forms of organized migration are also

⁸ Asia Time Online, 24 February 2006 at www.atimes.com/atimes/Southeast_Asia/HB24Ae01.html

taken into account, we can conclude that migration within the GMS, and from the GMS to other countries, is structured along a chain in which unskilled and irregular workers move from weaker economies to relatively stronger economies in the sub-region, and slightly more skilled, and generally more regular, migrants move to the even stronger economies in Asia.

The Future of GMS Migration

Still limited understanding of the described flows indicate a complex reality of increased interdependency of previously isolated labor markets with complementary demand and supply mechanisms across borders. Today GMS countries are not only connected through trade and investments, but also through labor migration. Each of them has become, to different degrees, sending, transit, and destination countries for workers from the sub-region. How these dynamics will change in the future is difficult to predict, especially considering the weak evidence base and the rapid pace of change in the sub-region, however some indications are there of a number of probable developments requiring further study, assuming that structural disparities in sub-regional development are not going to be (fully) corrected on the short run.

First, it can be expected that GMS development strategy towards increased regionalization will continue to facilitate exchanges in the GMS of commodities as well as labor. With the labor-short economy in Thailand and large unemployed working age populations elsewhere in GMS, labor migration throughout Thailand will likely increase, in pace with increased regionalization and expansion of infrastructure. The World Bank has assumed this trend in its assessment of the socioeconomic impacts of regional integration and is advocating an enabling environment for regular labor migration (WB 2006).

Second, in the longer term other countries may begin to attract greater numbers of GMS migrants. Though the Southern provinces of China and Vietnam lag behind Thailand to a considerable degree in terms of per capita incomes and the extent of market-led industrial development, their annual economic growth has reached impressive rates, while Thailand growth is declining. Due to political instability, high energy prices, and rising interest rates, Thailand's economic growth stalled at 4.5 percent in 2006, thus continuing the decline from an average growth of 6 percent in the 2002-2004 period (WB 2006a:1). Vietnam, instead achieved a growth rate of 7.8 percent, becoming the second fastest growing economy in the sub-region after China—the indisputable world leader with a double-digit expansion of 10.5 percent. Yunnan and Guanxi, although much poorer compared to the rest of China, may eventually become attractive transit destinations to migrants as gateways to the rest of the country.

Third, China may not only become a receiving country, but it may also become a major source of labor for other countries in the GMS in view of its large population and its growing influence in the sub-region. As Chinese business expands, and in view of the preferred practice of Chinese firms to bring workers from their own countries, especially to fill managerial positions, it is to be expected that larger numbers of workers and businessmen from China will be working in the GMS. This trend is already becoming visible in Myanmar, Laos

and Cambodia. Disadvantaged ethnic populations in China's border areas may migrate for different reasons. If not integrated into the new emerging economy, they may look for opportunities across the borders, or may become more vulnerable to trafficking than they already are.

Fourth, we can anticipate that the composition of migration flows will change. There will be more women involved in cross-border migration as well as a larger proportion of the poorest, and relatively less skilled, populations. This will occur because of the decreasing cost of migration in conjunction with more developed cross-border social networks, the growing market for imported unskilled labor in industrializing countries, and for women the ongoing process of feminization of poverty. In view of the heightened vulnerability of these groups, to put in place mechanisms to ensure migrants' protection will become even more necessary.

And this brings us to the last point. As noted in previous sections, the growing intra-regional flows have been mainly irregular. This, however, may start to change now that GMS countries are embarking on officially exporting workers to ensure an economic boost of foreign remittances and a better management of migration flows. Thailand has signed bilateral agreements with Laos (2002), Cambodia (2003) and Myanmar (2003) to import 100,000 workers from each country with the logistics subcontracted to labor recruiting agencies overseen by government institutions. Impacts are not yet visible, as recruiting is proceeding extremely low and has been interrupted for Myanmar, but the intention of the four governments is a notable sign of change. That said, whether contract labor becomes a more common form of migration or not, governments will still need to pay more attention to the situation of millions of irregular and unskilled cross-border migrants already working in the sub-region.

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