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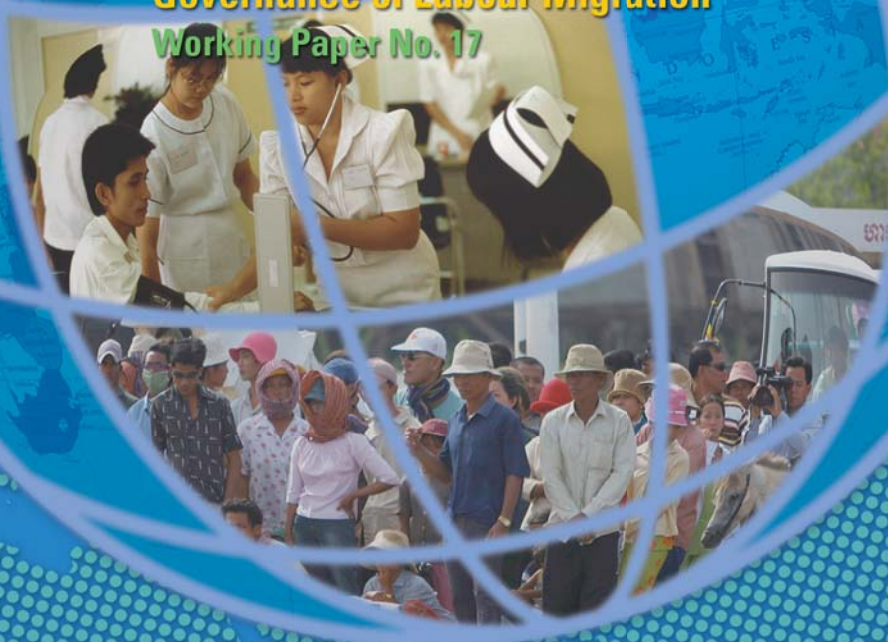
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# **Labour Migration for Development: Best Practices in Asia and the Pacific**

**Graeme Hugo**

**Regional Office for Asia and the Pacific  
March 2009**



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# **Labour Migration for Development: Best Practices in Asia and the Pacific**

## **By Graeme Hugo**

### **A b s t r a c t**

This paper discusses best practices in temporary labour migration programmes in the Asia Pacific region in each stage of the migration process – recruitment and selection, pre-departure preparation, at the destination, and upon return. In addition, it gives a typology of the different types of temporary labour migration occurring in the region, as well as provides an overview of the issues impinging on countries' ability to adopt best practices, including the failure of governments to recognize the significance of migration, and the lack of cooperation among countries.

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## Executive Summary

The Asia-Pacific region has 59 percent of the world's working age population and increasing levels of labour mobility. The dominant mode of international labour migration is temporary low-skilled contract migration. The objective of this paper is to examine the various types of temporary labour migration programmes in the Asia-Pacific region and assess the lessons learned from those experiences. The importance of those lessons is twofold. On the one hand, there is a large number of such programmes which are in need of significant reform if they are to reach their potential to facilitate development in origin areas. On the other hand, new programmes are emerging as the demographic and economic gradients between high income and low income economies widen.

A typology of eight types of temporary labour migration in the region is presented. These range from low and high skilled temporary labour migration, seasonal migration, working holiday makers, student and trainee migration, border commuters, and project-tied labour migration. These are differentiated according to the migrant workers' status at the destination, potential to transition to permanent residence, the ability to bring their family with them, and the extent to which they have rights at the destination. The paper concentrates predominantly on low-skilled contract labour migration, the most common form of migration in the region. Estimates of the scale of migration are presented, showing the level and complexity of labour migration to have increased dramatically in recent years.

The potential for temporary labour migration to have positive development impact in origin areas is considerable not only because of their large numbers but also because they retain a strong commitment to their home communities since they leave their families there. However, there are a number of barriers which are intervening to dampen these positive effects. One major problem is *transaction costs* to migration. For many contract migrants the amounts they have to pay to recruiters, government officials, and travel providers for documents, training etc. are often very high and well above what could be considered reasonable charge for their services. Another relates to the high costs of sending remittances. In addition, some areas of origin lack the

infrastructure and potential for productive investment so that the impact of remittances is compromised.

Since the Global Commission on International Migration (2005, 16) recommended that special attention be given to ‘carefully designed temporary migration programmes as a means for addressing the economic needs of both countries of origin and destination’ there has been considerable debate on the potential of circular versus permanent migration. On the one hand, some argue that temporary labour migration is better able to deliver development dividends than permanent migration because temporary migrants remit a higher proportion of their income and are more likely to return because they leave their families behind. In addition, there are advantages to the destination since they offer greater labour market flexibility, do not contribute to ageing, and do not threaten social cohesion. On the other hand, opponents point to the history of exploitation of such migrants, denial of their rights, lack of social mobility, and social exclusion in destination societies.

There is a strong contrast in the region in that destination countries have been very welcoming of high-skill temporary migrants but highly restrictive in their attitudes toward their low-skill counterparts. The former often receive conditions better than the average for native workers while the opposite is the case for the latter. Some countries in the region are attempting to increase the proportion of the labour migrants they send out with high skills. The logic is that they will remit more because they can command higher salaries, have a greater opportunity to enhance their skills, are more likely to maintain non-family networks, and can enhance productive linkages between origin and destination. However, against this are that they are less likely to return, are more likely to come from cities than from poor rural area, and the loss of human capital they represent may have negative effects in their home area.

The paper then goes on to discuss the lessons of best practice in temporary labour migration programmes in the region separately for each stage of the migration process – recruitment and selection, pre-departure preparation, at the destination, and on return. At the outset, however, some general issues which impinge upon Asia-Pacific countries’ abilities to introduce best practices are discussed. These include the need for capacity building, lack of cooperation between origin and destination countries, lack of

data, poor governance of labour migration, a failure among governments to recognize the significance of migration and the need for more ‘development friendly’ migration policies in destinations.

It is argued that there are a number of elements required if labour migration is to have a sustainable impact on development in origin areas. The first is a conceptual one involving a shift in many countries from seeing temporary labour migration as a temporary fix for ephemeral labour market problems to recognising that it is increasingly a long term structural element in the economies of the region. It is crucial, therefore, that there is an effective system of governance at both ends of the process which recognizes this reality. Increasingly, MOUs and FTAs are being signed between countries which include labour migration elements but focused thus far mainly on skilled migration. One of the lessons of past studies is that labour migration is most effective where it allows return or repeat contracts – i.e. that temporary migration becomes a permanent or long term strategy. This tends to reduce non-compliance and has advantages to both migrant and employer. In addition, while most migrants’ stay will be temporary, there is a need to provide some avenues for changing status to permanent residence in particular circumstances.

With respect to best practice in recruitment and selection, a major issue relates to the reduction of transaction costs which are often excessive and are a major barrier to migration earnings being invested in poverty reduction and development-related activity. The practices which can help reduce unproductive rent-taking during recruitment include better information provision, reducing the complexity and time involved in the processing of migrant workers, effective regulation of private sector agents, involvement of NGOs, development of fair loans for workers to meet the up-front costs, employers meeting part of travel costs, and avoiding discrimination in migrant worker selection. However, sending countries often lack the degree of political commitment and body of well-trained and dedicated officials to achieve best practice. In some cases, employers in destinations have built up a relationship with an individual community in the origin country to provide a continuous supply of workers. This has resulted in reciprocal benefits.

The stage of preparation before departure is an important element determining the success or otherwise of labour migration. Training is a necessary component but too often is seen at the origin as another means for rent-taking and the training provided is not effective or appropriate. Some of the elements of high quality training include specific skills related to work at the destination, targeted cultural awareness training, language, explanation of rights and obligations, ridding the migrant worker of false expectations, and providing the worker with the means to respond effectively to mistreatment, exploitation, and infringement of rights. There are emerging efforts in the region to get recognition of qualifications in particular skills across countries, but skill and qualification recognition remains a problem of labour migration in the region.

At the destination, sending countries can have only minimal impact because of diplomatic jurisdiction issues, but they can have an influence through negotiating MOUs and appointing labour attaches to relevant embassies. NGOs can often effectively bridge origin and destination countries by working closely with NGOs in the destination country since they are not restricted in the same way as governments. However, countries differ in their support of NGOs in this role. Labour unions in both origin and destination countries have given little support to migrant workers in the region. Best practice, however, also involves a high level of cooperation between the government of sending and receiving countries involving MOUs and mechanisms for regular discussion and taking action if there are problems. Both sending and receiving countries can assist in facilitating the safe and efficient flow of remittances from destination to origin country. Best practice involves educating migrant workers regarding the best alternatives for sending money home and encouraging the development of low cost mechanisms for doing so. Ensuring the portability of pensions and entitlements is another element of best practice. It also needs to be recognized that there are usually significant social costs involved in migration and support for home-based families is another element of best practice. For receiving countries it is important to ensure the protection of the rights of migrant workers through regular auditing of employers. It is important too for destination countries to develop sound policies to effectively manage the demand for labour. One of the real challenges for governments seeking to protect migrant workers in Asia is the fact that many are not

employed in standard workplaces, are not subject to standard labour law and are at risk of exploitation. This is especially the case for female domestic workers. One element of best practice in destinations is also the setting up of Migrant Resource Centres to assist in the protection and integration of migrant workers.

Return to the home country can be crucial in influencing the extent of the developmental impact of migration. Facilitating the safe and quick return of labour migrants is best practice at origin and destination. There are examples in Asia where returning labour migrants are subject to exploitation and further rent-taking. Reintegration programmes for returning migrant workers are not well-developed in the area. It is apparent that many returnee communities lack the potential for productive development investment. There is a need to factor migration into regional development initiatives and recognize the potential of remittances to be an important factor in that development.



# **Labour Migration for Development: Best Practices in Asia and the Pacific<sup>1</sup>**

By Graeme Hugo

## **1. Introduction**

With 59.0 percent of the world's population in the working age groups (15-64 years) in 2005 the Asia-Pacific region must loom large in any discussion of labour and labour mobility. The region is a very diverse one ranging from the demographic giants of China and India which together account for 38.9 percent of the global population in the working ages to tiny Nauru and Tuvalu in the Pacific with 7,907 and 7,462 persons respectively in these age groups (<http://www.census.gov/cgi-bin/ipc/idbsprd>). Moreover, Gross National Income per person varies from US\$38,200 and US\$33,150 in Hong Kong and Japan to lows of US\$1630 in Nepal and US\$2050 in Laos (World Bank 2007). There are wide differentials in national stocks of human capital and in labour excess/labour surplus conditions. The region is the origin of many of the world's largest labour migration flows as well as the destination of others (United Nations 2006; Hugo 2008a). Moreover as inter-country differences in ageing, the growth (or non-growth) of youth populations, and income widen, the potential for greater international labour migration is increasing (Hugo 2008a; Abella 2008).

Although the Asia-Pacific region is the origin (and destination) of substantial flows of labour migrants moving more or less permanently to other countries (2004), temporary movement has been the dominant mode of labour migration in the region. Indeed until quite recently only Australia and New Zealand within the region have had significant migration settlement programmes. Castles (2003) and Hugo (2004) have put forward some of the distinguishing features of the Asian 'model of migration'.

- Migration is not seen as a structural element in Asian economies.
- Immigration is highly restricted. It is not generally perceived as being positive.
- Hence, even when there are good reasons for migration, such as the demand for labour or the arrival of asylum seekers fleeing persecution, permanent settlement of migrants is not allowed.

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<sup>1</sup> Background paper for the 2<sup>nd</sup> Global Forum on Migration and Development in Manila on 27-30 October 2008.

- Emphasis has been on constraint, policing and exclusion rather than migration management. There is little tradition of the development of managed migration systems.
- Where the need for migrant workers, tourists and business people has been recognized as essential to the economy, this has been allowed strictly only on a temporary basis.
- Foreigners are not allowed to become citizens except in exceptional circumstances.
- There is strong feeling that culture and identity should not be modified in response to external influences (Castles 2003, 6)
- There is little or no regional or bilateral dialogue on migration issues.
- Migration data are poor because it is given little priority.

While there has been some change in recent years whereby some countries in the region have made limited steps toward the granting of permanent residence to selected (mostly skilled) immigrants and notwithstanding the fact that some temporary immigrants transition to permanent settlement, temporary movement remains the dominant pattern.

A 'new twist' (Ruhs and Martin 2008, 250) in the discourse on temporary labour migration in the region in the last five years however has been the argument that by sending workers abroad low income countries can derive a net positive development impact and reduction in poverty (GCIM 2005; World Bank 2006; United Nations 2006). Moreover, an important part of that argument has been that temporary labour migration programmes may be better able to deliver such development and poverty reduction dividends more effectively than permanent or semi-permanent migration of nationals (Vertovec 2006; GCIM 2005). This greater impact derives from circular migrants remitting a greater proportion of their incomes to their home-based families because they usually travel without their families, because they retain a higher level of commitment to the home community, and because they are more likely to return to the home country than their permanent migrant counterparts. This remains a highly-contested argument with other commentators pointing to the history of exploitation of temporary labour migrants, denial of their rights, their lack of opportunities for social



mobility, and social exclusion in destination countries (Castles 2006a; Vertovec 2006). Nevertheless there are strong voices for ‘carefully designed temporary migration programmes as a means for addressing the economic needs of both countries of origin and destination’ (GCIM 2005, 16).

The objective of this paper is to examine the various types of temporary labour migration programmes in the Asia-Pacific region and assess the lessons learned from such programmes which could facilitate and enhance the positive developmental effects in origin communities and countries. The importance of these lessons is two-fold. On the one hand there is a plethora of existing temporary labour migration programmes in the Asia-Pacific which are in need of significant reform if they are to reach their potential to assist development in origin areas. On the other hand, new programmes are being considered and will emerge as the demographic and economic gradients between high income and low income economies widen over the next two decades (Ruhs 2006; Hugo 2008b).

At the outset, the paper presents a typology of temporary labour migration in Asia and the Pacific. This is necessary since there are a number of distinctive forms of such movement and there is no ‘one size fits all’ pronouncement which can be made either on their actual and potential developmental impacts or the best practice in order to achieve these impacts. The key features of each type and their potential and actual developmental impacts are discussed. The paper then moves on to distil some of the lessons from existing temporary labour migration programmes which could serve as best practice in order to maximize the chances of getting desirable developmental outcomes from migration. While some of these lessons are general across all types of labour migration, others are more specific to particular types.

## **2. Types of Temporary Labour Migration in Asia and the Pacific**

Temporary labour migration has a long history in the Asia-Pacific region going back to colonial times when there were substantial ‘contract coolie’ types of indentured and semi-indentured labour flows between colonies organized both by colonial authorities and the private sector (Hugo 2003). In the contemporary period, however,

temporary labour migration both within and between countries in the region has reached unprecedented scale and diversity. There are several recent typologies of temporary labour migration (Abella 2006; Ruhs 2006) but Table 1 presents a list of the main types of international labour migration in the Asia-Pacific region. It is difficult to quantify the scale of each type of movement because migration data in the region remains under-developed and undocumented migration is substantial. The largest scale of movement is of low-skilled contract labour which overwhelmingly is directed toward the Middle East or other countries in the region. The measurement of these flows is extremely difficult because few countries have complete and accurate migration data collection systems (Hugo 2006) and there are substantial undocumented flows.

Table 2 represent estimates of the numbers of temporary labour migrants for the major Asian sending nations. From the perspective of the current paper, these numbers point to the potential significance of this type of migration to have a significant development impact in the region by their sheer magnitude.

Table 1. A Typology of Temporary Labour Migration in Asia and the Pacific

	Type	Status in Destination	Potential to Move to Permanent Residence	Ability to Bring Family	Rights
1.	Low-skilled contract labour temporary migration	documented and undocumented	very low	not possible	very limited
2.	High-skilled temporary labour migrants	mostly documented	high	allowed	substantial
3.	Low-skilled seasonal labour migration	documented and undocumented	low	not possible	very limited
4.	Working holiday makers	mostly documented	moderate	possible	substantial
5.	Student migration	documented	high	allowed	substantial
6.	Trainee migration	initially documented although many become undocumented	low	not possible	limited
7.	Border Commuters/Circulators	documented and undocumented	low	not necessary in many cases	limited
8.	Project tied labour migration	documented	low	possible	limited

Table 2. Asia: Estimates of Stocks of Migrant Workers in the World

Origin Countries	Number	Main Destinations	Source of Information	Year
Burma/Myanmar	1,840,000	Thailand	<i>BurmaNet News</i> , 8 January 2007	2006
Thailand	340,000	Saudi Arabia, Chinese Taipei, Myanmar, Singapore, Brunei, Malaysia	<i>Migration News</i> , March 2002, Scalabrini Migration Center 1999	2002
Laos	173,000 <sup>b</sup>	Thailand	<i>Migration News</i> , January 2005	2004
Cambodia	183,541	Thailand	Lee 2006	2006
Vietnam	400,000	South Korea, Japan, Malaysia, Chinese Taipei	<i>Migration News</i> , October 2007	2005
Philippines	8,233,172	Middle East, Malaysia, Japan	Philippines Overseas Employment Agency	2006
Malaysia	250,000	Japan, Chinese Taipei	Asian Migrant Center 1999	1995
Singapore	150,000 <sup>a</sup>		Yap 2003	2002
Indonesia	2,700,000 <sup>a</sup>	Malaysia, Saudi Arabia, Chinese Taipei, Singapore, South Korea, United Arab Emirates	Ananta and Arifin 2008	2007
China	530,000	Middle East, Asia and the Pacific, Africa	Ma 2005	2004
Total	14,799,713			

a. Documented

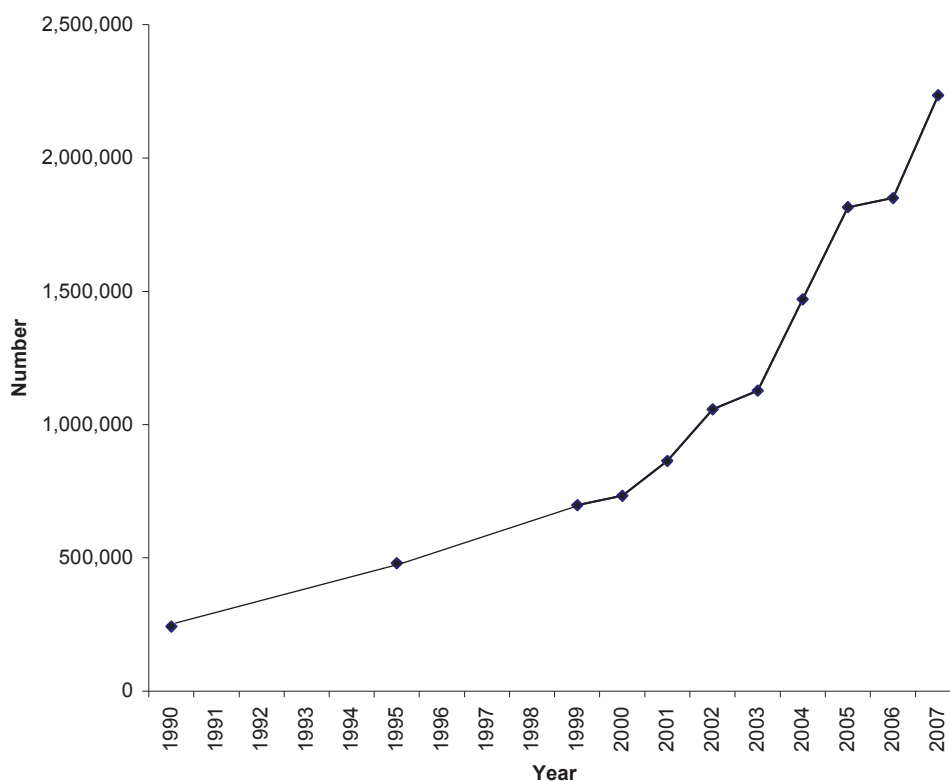
b. Undocumented

What is apparent is that the demand for low-skilled workers in the region shows no signs of diminishing. Malaysia is a case in point. Figure 1 shows the substantial increase in temporary migrant labour over the last two decades. Such workers have gone from being 5 percent of the workforce in 1990 to almost a quarter in 2007. The data in

Figure 1 represents only the documented migrant workers and it would seem that there are at least 1 million undocumented workers, mostly from neighbouring Indonesia. Moreover the government of Malaysia estimates that by 2010 it will require 5 million foreign workers. The increasing demand for such workers is not only because falling fertility has reduced the numbers of locals entering the job market. Labour market segmentation has played an important role as it has elsewhere. Locals eschew jobs which have low pay and low status and fall into the '3D' category (Dirty, Difficult and Dangerous). As a result, in Malaysia, sectors such as forestry, construction, plantations and domestic service have become dominated by temporary labour migrants.

Figure 1. Malaysia: Stocks of Migrant Workers, 1990 to 2007

Source: Malaysia, Economic Planning Unit; Kanapathy 2008; Badri 2008



Some of the defining features of this type of temporary labour movement are shown in Table 1. Typically this group are denied many basic rights in destination countries and are usually compelled to travel without their families. They usually have no access to applying for permanent residency. Notwithstanding these restrictions, some of those migrants have settled permanently in destination countries as has been the case, for example, with significant numbers of Indonesians in Malaysia.

The potential for this type of migration to have a developmental impact is considerable not only because of their large numbers but also because most retain a strong commitment to their home communities since they leave their families there. Accordingly, they send back a higher proportion of their income in remittances than is the case for permanent settlers. Moreover they intend to return to their homelands and this is enforced by the migration regimes in destination countries. It has been shown

(Hugo 2001a) that in many countries (e.g. Indonesia) this type of migrant worker is drawn from some of the poorest areas of the country (e.g. parts of Java, East and West Nusatenggara). In such areas, remittances are the only substantial inflow of potential investment money from the outside.

Given this substantial potential for international contract labour migration to deliver financial resources to the grass roots in some of the poorest areas in the region, what are the barriers which are dampening these effects? One of the main issues relates to *transaction costs*. For many contract workers, the amounts that they have to pay to recruiters, to government officials, and to travel providers for documents, training, etc. are very high and well above what could be considered a reasonable charge for these services. There is too much unproductive rent-taking in the burgeoning contract labour migration industry in the region and this is siphoning away money that migrants earn that otherwise would have gone toward development-related activity in home areas. Often, migrants have to work several months on arrival at the destination just to pay off debts incurred in the migration process. If they are duped by recruiters, so that the job they were promised is not available, or if they cannot complete their contract for some reason, the migrants and their families have a substantial (and rapidly increasing) debt. Exploitation of migrant workers in recruitment and preparation for travel process, en route, at the destination, and on their return home is rife. It should be noted that in some countries it is the documented migrants who have higher transaction costs than undocumented migrants. Indeed one of the reasons why migrants opt to take the undocumented route is to avoid the predations of gate keepers who extract money, both official and 'unofficial', at every stage of the migration process.

Migrant remittances are a key to labour migration having positive impacts on development and poverty reduction in origin areas. Yet these potential dividends can be reduced firstly by having to pay high rates to send the money home and by the lack of investment opportunities in the home area. It is apparent that despite a range of ingenious methods of sending money home, many systems overcharge migrants to remit money so that the proportion of earnings that eventually get back to the origin is smaller than it could be. In addition, Hugo (2004) found in Eastern Indonesia that the origin area of migrant workers to Malaysia had been so neglected by the central and provincial

governments that it lacked the basic infrastructure which would be needed for the successful setting up of new enterprises by returned migrants. There were very few productive channels open to returnees to invest money in productive enterprises other than to purchase agricultural land or buy a passenger motor vehicle.

The temporary labour migration of low-skilled workers has been heavily criticized both inside and outside the region as being a 'new form of indentured labour'. Some NGOs in the region even equate it with trafficking because of the exploitation of migrants that often characterizes this movement. The undoubted social costs of long separation from families, lack of opportunities for social mobility, and lack of opportunity to transfer to permanent residency are also criticized. It is also seen to be associated with undocumented migration. These criticisms can all be sustained by looking at particular flows of temporary low-skilled labour migrants. However, the question has to be asked as to whether the problems are intrinsic features of this type of migration or whether they are due to a failure of governance of these labour migration systems in the Asia-Pacific context. There is much evidence that it is the latter rather than the former.

There are a number of 'myths' that have grown up around unskilled circular migration which empirical evidence suggests are at the very least contestable.<sup>2</sup> These include the following:

- 'There is nothing so permanent as a temporary migrant'. Certainly many temporary migrants see their move as a part of a longer-term strategy to remain permanently at the destination. Yet for others, circular migration is a *preferred strategy*. Certainly there are sacrifices of separation from family, but the idea of earning in a high income/cost context and spending in a low income/cost context is appealing as is the idea of remaining in their cultural hearth area. Circular migration can become a continuing and structural feature of families and economies and it doesn't have to lead to permanent settlement. Moreso, if there is a regime which facilitates migrant workers returning relatively frequently to their families, as opposed to constraints which make this so difficult that

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<sup>2</sup> Here the writer is drawing predominantly on his field experience in Indonesia.

migrants opt for a permanent settlement strategy at the destination. Where origin and destination are relatively close together, improved transportation has made regular home visiting increasingly feasible as is the case with internal circular labour migration (Hugo 1975; 1978).

- ‘Circular migrants lack agency’. Not all temporary labour migrants are victims of criminal syndicates, unscrupulous recruiters, and grasping employers. Some maintain a great deal of independence throughout the migration process. Indeed this group may be able to provide lessons for improving the governance of these migration systems.
- ‘Circular migrants lack social mobility’. In many cases, circular low-skill labour migrants have considerably enhanced their position in the destination. Upward mobility and enhanced training is commonplace among East Nusatenggara migrants to East Malaysia (Hugo 2001a).

The key point is that low-skill circular labour migration can have positive outcomes for migrant workers and their origin communities. In fact it often does. However the regime for this type of movement in some Asia-Pacific countries is characterized by poor governance, corruption, and lack of coherence, so that these outcomes are compromised. The question becomes whether dealing with these issues can effectively enhance the positive effects in origin areas.

The second type of temporary labour migrants are high-skilled and they are significantly smaller in number than their low-skilled counterparts, although the numbers of skilled Asian and Pacific emigrants moving to different countries within and outside the region is increasing substantially. In the City of Shanghai, China, in 2006, for example, the official number of skilled overseas workers in the city was 119,876 (Bureau of Exit-Entry Administration, Shanghai Municipal Public Security Bureau).

The lot of skilled temporary labour migrants in Asia and the Pacific contrasts starkly with that of low-skilled migrants. As Ruhs and Martin (2008, 254) have pointed out:

‘The international market for skilled and highly skilled migrant workers is characterized by ‘excess’ demand for labour ... As a result qualified migrants are able to choose among competing destinations ... countries and employers seeking to attract skilled workers are likely to offer them not only high wages but also substantial rights.’

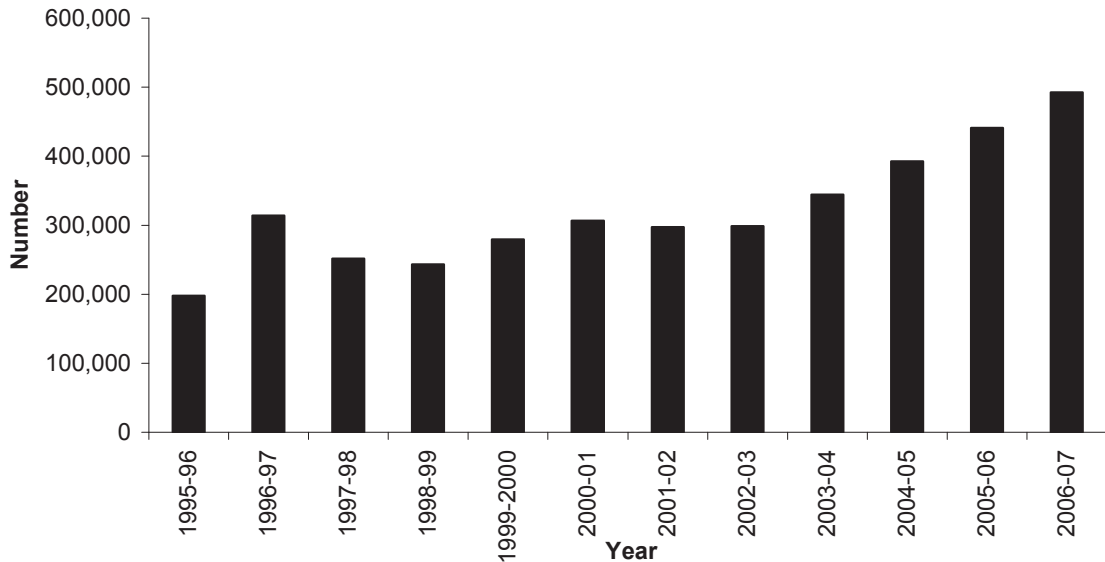
‘Expatriate’ or skilled temporary migrant workers often have conditions that are *above* the average for workers at their destinations because of the competitive situation. On the other hand low-skilled migrant workers often have to accept below average wages and conditions in the destination because of the excess supply of such migrant workers.

Many countries in the region have developed ‘skill friendly’ temporary residence visa systems which facilitate the immigration (albeit temporary) of such skilled workers. Moreover, in several countries the path from temporary to permanent residence for skilled temporary migrants is not difficult (Khoo, Hugo and McDonald 2008). The Australian 457 Visa is similar to the United States H1B visa and Figure 2 shows how the numbers of temporary skilled migrants to Australia has increased substantially in recent years. Moreover Khoo, Hugo and McDonald (forthcoming) show that an increasing proportion of these migrants are from Asia and the Pacific, and that many 457 temporary skilled migrants have been able to transition to permanent residency status.



Figure 2. Australia: Growth in the Number of Temporary Business Entrants, 1995-96 to 2006-07

Source: DIAC



From the perspective of the impact of this type of labour migration on origin communities, a number of countries in the region have sought to encourage an upskilling of the temporary labour migrants leaving the country (e.g. Indonesia). The rationale here is that such workers will earn much more in destinations than their low-skilled counterparts and therefore are more able to remit larger sums back to their origins. In addition they are more likely to acquire training and experience at the destination which will enhance their skills than is the case with low-skilled labour migrants. This logic however does have flaws:

- High skill workers often remit smaller *proportions* of their income to origin communities partly because they tend to come from better off families (and communities) so that the level of need in the origin family will not be as great. Moreover these migrants are often able to bring their immediate families with them so that they are not as obliged to send back money to immediate family. As a result, their level of commitment to their home community may not be as great as is the case for low-skilled migrants.

- Such migrant workers are more likely to come from cities and better off parts of origin countries (since they have higher levels of education and training) than low-skill migrants who often come from poorer areas.
- The loss of human capital represented by these higher-skilled temporary labour migrants may have negative effects in origin areas. In the Pacific, for example, it is apparent that the emigration of nurses and teachers to countries like Australia and New Zealand under temporary visas has had negative impact on health and education systems in the Pacific (Voight-Graf 2008).
- Since these workers often are given access to applying for permanent residence and even citizenship at the destination, they may not return to origin countries as much as low-skilled migrants.

On the other hand, there are aspects of higher-skilled temporary labour migration which could potentially deliver development dividends at home.

- As mentioned earlier, they earn more at the destination so that the amount they can potentially remit is greater.
- They have the opportunity to enhance their skills and experience which can benefit the origin country when they return, or even while they are still away if they transmit new knowledge and ideas back to relevant groups in the home country.
- Unlike low-skill migrants, they are more likely to maintain non-family network links with colleagues, professional organisations, etc., which can be the conduits through which new ideas and ways of doing things can be introduced to the home area.
- They can enhance productive linkages for trade, investment, etc. between the origin and the destination.

The third category of temporary labour migrants is low-skilled seasonal migrant workers who fill seasonal labour shortages in destination countries, especially in the agricultural sector. They differ from low-skilled contract labour migrants considered earlier in that the latter have contracts of 2 or 3 years while for this group it is a matter of months such as in harvesting periods (Newland, Agunias and Terrazor 2008). Such seasonal cross border movements have a long history in the region as with the annual

movement of southern Thais into northern Peninsular Malaysia to harvest rice. However, with labour shortages emerging in countries like Australia and New Zealand, there has been heightened interest in introducing seasonal labour migration schemes to meet seasonal labour shortages in the viticulture, horticulture, and market gardening industries. In October 2006, New Zealand introduced the Recognized Seasonal Employers Scheme (RSE) to assist employers in particular industries to attract seasonal workers. The scheme allows for priority to be given to workers from the Pacific for seasonal work opportunities in the horticulture and viticulture industries in planting, maintaining, harvesting, and packing crops where there are no New Zealand workers available. The initiative attempts to provide a mutually beneficial situation where New Zealand employers have a secure labour supply that they can utilize in successive years. and for the Pacific to have access to the New Zealand labour market, thereby boosting the skills and economies of Pacific nations. The RSE scheme was officially launched on 30 April 2007, with the first employer achieving RSE status at the same time.

The RSE policy represents a substantial departure in immigration policy by Australia and New Zealand. Where no suitable New Zealanders are available, as in the heavy seasonal demands for 20,000 to 30,000 workers in picking, pruning and packing in the production of fruit, vegetables, and wine, employers can apply for RSE status. They can recruit firstly from the Pacific and if there are no suitable workers they can go to other countries. The employees from the Pacific can stay in New Zealand up to 7 months at a time (9 months if they are from Kiribati and Tuvalu in recognition of higher travel costs) and they can return in consecutive seasons. Employers are encouraged to build long term relationships with the Pacific Islands residents and to build their skills over time. There are plans to develop appropriate training for migrant workers at home and in New Zealand (Taukolo, Redden and 'Esau, forthcoming). Initially the program allows for Samoan workers to come to New Zealand each year and has focused on the Pacific nations of Tuvalu, Tonga, Samoa, Vanuatu and Kiribati. Employers are obliged to:

- Pay half travel costs.
- Pay for an average 30 hours per week for the duration of employment.
- Provide pastoral care, ongoing accommodation, basic health care, and local transport.
- Contribute to funds for locating a workers who fail to return home at the end of their employment.

The introduction and progress of the scheme is being monitored closely in both New Zealand and Australia as it could be an important first stage for substantial programmes of this type in the future.

Seasonal labour migration systems have similar implications for development as were explored earlier for low-skilled temporary labour migration. The frequency of return is likely to be somewhat greater than is the case for Asian overseas contract labour migrants who usually are absent for two or three years.

The fourth type of temporary labour migration in the Asia-Pacific region is limited in incidence to only a few high-income countries in the region – Australia, New Zealand, Japan and Korea. This is Working Holiday Maker migration. The program in Australia is typical of such programmes. Working Holiday Makers (WHMs) are foreign nationals from selected countries with which Australia has a reciprocal arrangement (only South Korea, Taiwan, Japan and Hong Kong SAR of China in Asia). They are permitted to stay in Australia for a year and people who have undertaken seasonal work in Australia for a minimum of three months are eligible to apply for a second WHM visa. They can work for a single employer for a maximum of 6 months. Their wages and conditions are consistent with Australian standards. In 2006-07, 134,612 WHM visas were issued – an 18.2 percent increase over the previous year. While most of these young people have relatively high levels of education they work mainly in seasonal work in agriculture, viticulture, market gardening, tourism and hospitality and service activities. They have become a crucial element in the harvesting workforce and labour in the intensive agriculture sector when there are seasonal peaks in demand for labour (Hugo 2001b).

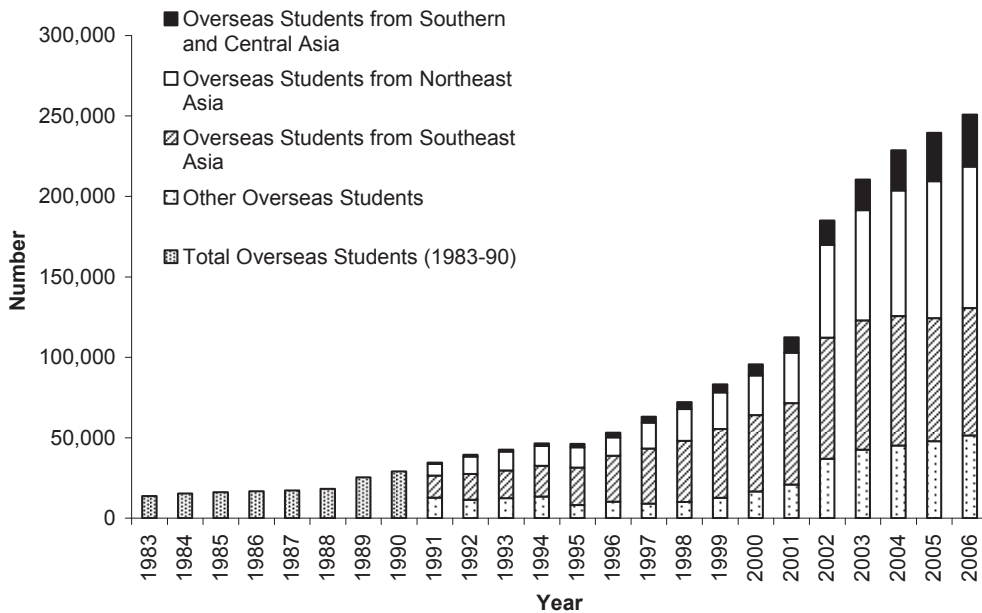
The developmental implications of this type of labour migration are limited because low-income country youth do not have access to WHM schemes. The WHM programmes in Australia and New Zealand, in addition, may be having an indirect impact in that it may be delaying the two countries' introduction of large scale seasonal agricultural labour migration from low-income countries as is done in countries like Spain and the United States. In Australia, there have long been labour shortages during peak activity periods in viticulture, market gardening, orcharding etc. The WHMs have to some extent met this demand which otherwise would have perhaps led to the introduction of a seasonal labour migration scheme.

The next type of labour migration is international student migration. While the main reason for such movement is study, it has significant labour components.

- Many students remain at the destination when they have completed their studies.
- Many students work while undertaking their studies. In Australia, for example, they are allowed to work for up to 20 hours a week during term and full-time outside term.

There has been a massive growth of international student migration and especially from Asian countries. Figure 3 shows how the number of international, especially Asian students, has increased in Australia. The impact of such migration on development has been much discussed in the literature on brain drain because of the nexus between student migration and permanent settlement in destination countries (Adams 1968; Abella 2005; Dumont and Lemaitre 2005).

Figure 3. Overseas Students in Australian Universities, 1983 to 2006

Source: DEST *Students: Selected Higher Education Statistics*, various issues

Trainee programmes are run by countries such as Japan, South Korea and Taiwan. They usually involve a worker from a lower-income country who works for a company whose headquarters is in a higher income country being transferred temporarily to receive training. This movement is usually covered by bilateral agreements between the origin and destination country and is seen as a form of technical cooperation (Abella 2006). The stated objective of such programmes is to provide the worker with skills which they can then use in the country of origin. However in the Asian context these programmes have been used as an avenue to bring in cheap unskilled labour to ease labour shortages. Moreover trainees are paid very low wages. The largest programmes in the region are in South Korea and Japan. A feature of these programmes has been the high incidence of ‘running away’. Once trainees have familiarized themselves with the local labour market, many leave their trainee jobs and take more remunerative jobs elsewhere, especially in the informal sector. They often become undocumented migrants as a result.

The impact of trainee programmes on origin countries from a development perspective is limited, partly because of the small numbers involved. In theory they

result in a transfer of skills and experience to the origin country, but this is muted by the fact that in many cases the training component of their experience is limited because they are used as unskilled labour. Moreover because they are mostly paid at a very low level, their remittances are limited. However for those that ‘run away’ the impacts are similar to those of the unskilled temporary labour migrants considered earlier.

The other types of labour migrants are relatively small in number and have limited effects. The first involves people living in border areas and crossing the border daily or weekly to work in the neighbouring country. Such movement occurs along the Thai-Malaysia border, Malaysia-Singapore, Singapore-Indonesia and the Greater Mekong Basin countries (Burma, Thailand, China, Laos, Cambodia and Vietnam). In such cases the development impacts are generally similar to those of temporary low skill labour migrants. The final group are company employees who move between countries as part of a particular project of their employer.

Thus far we have considered temporary labour migration schemes in Asia and the Pacific largely from the perspective that they can potentially benefit sending communities. However it is important that it be recognized that they also have some advantages from the perspective of receiving countries as well.

- Firstly, in terms of meeting receiving countries’ labour market shortages, temporary migration permits greater labour market flexibility than permanent migration (Abella 2006). The particular labour demands that they meet may dry up. Singapore, for example, sees its low-skilled migrant workforce in this way and at times of economic downturn the numbers of workers can be easily reduced. Similarly when demand for labour is seasonal, as in agriculture, temporary labour has some real advantages.
- Secondly, the influx of skilled workers on a temporary basis can allow a country to ‘buy time’ to train sufficient numbers of its native workers to do these jobs. The migrant workers can even play a significant role in providing that training formally or through ‘on the job’ training and skills transfer.
- Thirdly, from the perspective of ageing of destination country societies, temporary migration may be advantageous. Migrants are always young, and on their arrival in the country, they have a ‘younging effect’ on the host population,

although this is very small given their small numbers in relation to the total population. However migrants age too. Hence, if they remain in the country they will age with the host population and contribute to ageing. For example in Australia the long history of sustained postwar migration has meant that in 2006 the percentage of the overseas-born aged 65+ was higher for the overseas-born than the Australia-born. Moreover the overseas-born population aged 65+ increased faster than their Australia-born counterparts over the 2001-06 period (3 percent per annum compared with 1 percent). Hence a ‘revolving door’ of migrant workers provides a constantly young workforce to the destination country without contributing to ageing of the workforce or population.

- Fourthly, as Abella (2006, 2) points out, ‘compared to permanent immigration, liberalizing temporary admissions is politically easier to sell to electorates that have come to feel threatened by more immigration’. This argument is especially germane in Asia given the prevailing ‘Asian Model’ of migration discussed earlier.
- Fifthly, some countries have fears of social cohesion breaking down if immigrant communities settle permanently and there are difficulties of integration.

Hence if it can be established that circular labour migration can have beneficial effects for origin countries it can also often be a more acceptable migration option to destination communities as well. The potential is thus there for labour migration to produce a win-win-win result for the migrant, the origin, and the destination. The fact that this has not always been the case in the past has been largely due to the way in which temporary labour migration programmes have been operationalized. Indeed there are few areas of public policy in the Asian region which are as characterized by as much poor governance, corruption, exploitation, and mistreatment of people. The argument here is that it is important that these negative experiences not be allowed to conceal the potential of the process to deliver a triple bottom line positive effect. The process in itself is not intrinsically bad but in many cases the way in which it has been operationalized in the region has often left much to be desired. Can reform of the governance of temporary labour migration systems result in it becoming a significant



contributor to development in origin countries? If so, what are the lessons of best practice in temporary labour migration systems in the region which would inform that reform? It is to these questions that the next section turns.

### 3. Best Practice in Temporary Labour Migration Schemes

The potential for temporary labour migration, especially of low-skilled groups, to deliver development benefits in Asia and the Pacific is being hampered by:

- A reluctance by some countries with labour shortages to admit such workers.
- A situation whereby, in much of existing temporary labour migration, the potential for development impact is not being realized because the wages of migrant workers are siphoned off by recruiters, agents, money lenders, and other intermediaries.

Clearly, sound governance systems which protect the interests of destination communities while also providing migrants with appropriate access to work, protecting their rights, making it possible for them to remit as much as possible of their earnings home, and to return home are required to achieve win-win-win results. The various lessons for best practice will be considered for each stage of the Temporary Labour Migration (TLM) process – recruitment, predeparture, at the destination, and upon return. In doing this it is necessary to distinguish between skilled and unskilled migration. However, at the outset some general issues which impinge on Asia-Pacific countries' abilities to introduce best practice systems are discussed:

- There is a major need for *capacity building* in the whole area of development and operationalisation of labour migration policy in several nations in Asia and the Pacific. Development of best practice requires a cadre of well-trained professionals across a range of migration-related skills. They need to be resourced with appropriate software and hardware to manage migration. This applies equally to officials in origin as well as destination countries. The urgent need to develop skills and systems in this area in several Asia-Pacific countries has been identified (Hugo 2008c).

- Effective governance requires cooperation between authorities at both origin and destination ends of the process and such cooperation has been limited in the region, although there are signs that this may be changing.
- Associated with the first point is that there is a pressing need to improve data collection in this area since accurate, comprehensive, and timely information on demand and supply of migrant workers is a fundamental prerequisite of effective management.
- Improving governance of international labour migration systems in Asia and the Pacific is going to involve confrontation with well-established vested interests operating inside and outside the existing legal system which are often not operating in the interests of the migrant or of development in origin communities.
- There is a need for a conceptual change among policymakers to recognize that migration can impinge positively on development in origin communities. Part of this is making migration policy in *destination* areas more '*development friendly*'. This means developing policies and programmes not only with the labour market interests of destinations in mind but also their impact in origin communities. This may require the involvement of development assistance agencies, such as in Europe (DFID 2007) and in the New Zealand RSE Scheme (Gibson 2008).

### **3.1. Ensuring Sustainable Impact on Development of Temporary Labour Migration**

In Asia and the Pacific, TLM has in the past often been perceived by governments and communities in both origin and destination countries as an unwelcome but necessary 'fix' to short-term problems of labour excess and labour shortage. Few have seen it as a structural and increasingly established and long-term element in national and regional economies. However steepening demographic and economic gradients between countries mean that it is becoming in many cases an established and significant feature. It is crucial therefore that there is an effective system of governance

at both ends of the process which recognizes this reality. ILO and UN Conventions on migrant workers suggest that bilateral agreements and/or MOUs between origin and destination countries are an effective way of setting out the rights and obligations of employers, migrants, private agencies and government instrumentalities in the migration process. These have certainly become more popular in the Asia-Pacific region. Korea, for example, has in recent years conducted 14 MOUs with sending countries. On the sending side, Indonesia has in the last few years signed MOUs with Malaysia (2), Korea, Taiwan, Japan, Australia, UAE, Jordan, Kuwait, Qatar, and Syria. An important MOU signed in Bali in 2006, by Indonesia and Malaysia, the major destination of Indonesian migrants, had the following provisions (*Asian Migrant News*, May 2006):

- Employers are required to sign contracts that specify the rights and obligations of both parties.
- Withholding of workers' wages are prohibited.
- Salary of domestic workers should be between Malaysia Ringgit 400-500.
- Workers have the right to practice their religion, vote in the Indonesian general election at the embassy, and have disputes settled in Malaysian courts.
- A bank account is to be opened in the name of domestic workers by employers into which their full salary is to be deposited and employment agencies are banned from taking a share.

This latter MOU was additional to an earlier agreement and dealt specifically with the problems being experienced by the estimated 300,000 Indonesian women domestic workers in Malaysia. The effectiveness of this and other MOUs in Asia have yet to be evaluated. Indeed this is a task which needs doing as there has been a proliferation of such agreements in recent years.

There has been some suggestion in the region that the increasing number of Free Trade Agreements (FTAs) could be a vehicle for agreements to be made between countries on the flow of labour migrants. Indeed in organisations like APEC, which has been devoted to freeing up trade and financial flows between countries in the region and has played a role in encouraging FTAs, there is currently a discourse that argues that migrant labour flows are the missing component in these liberalising processes. Newland, Agunias and Terrazor (2008) argue that by associating with FTAs,

international labour migration has the potential to ‘ride on the coat tails’ of more strategic objectives. In fact some FTAs in the region contain provisions for the ‘movement of natural persons’. However, these largely refer to service suppliers under private contracts and, in a few cases, professional workers; they do not allow the movement of low-skilled workers (Hugo 2008). While this avenue needs to be pursued, it seems to be a second-best solution to MOUs, in that any labour migration elements are likely to be seen as peripheral and not given the comprehensive attention that is possible in MOUs.

MOUs would seem to be most appropriate when dealing with the flow of low-skilled workers. Other systems such as ‘points systems’ by which skilled workers are allocated points on the basis of qualifications, skill type, language ability, experience, age, etc. or government supervision of private sectors may be more appropriate for skilled TLM Programmes. Programmes like the HB1 in the United States and 457s in Australia fall into the latter category. In the 457 program in Australia, the Australian government sets a number of requirements that need to be met:

- It applies only to the top 3 categories in the Australian Standard Classification Occupation (ASCO) – managerial, professional, and semi-professional, although it has been extended to some trades areas.
- Minimum salaries apply.
- Migrant workers have to meet health, security and other standard requirements.

But no cap is set on numbers to be admitted and employers do the recruiting, often through agents. There is a ‘fast-track’ system for employers that have a good record (Khoo, Voight-Graf, McDonald and Hugo 2007).

Another aspect of sustainability of TLM Programmes relates to the interpretation of temporary. Most programmes have a maximum time that a worker can work at the destination under a contract before returning home. Some allow one renewal of a contract without returning, but most insist on return after the initial contract time expires. Thus, regulations can have the effect of migrant workers ‘running away’ from their employer and becoming undocumented, because they fear that they will not have access to jobs in the destination in the future. It would seem to be best practice to facilitate return or repeat labour migrations. It is certainly the case, for example, that

many Filipinos have more than a single contract. In the case of the New Zealand RSE Scheme, it seems that the majority of the initial group of seasonal migrant workers will be, or have been, offered second year contracts. In that case, clearly, many employers see the continuity as beneficial because the workers have acquired the appropriate skills, attitudes to work, local knowledge etc. The idea of temporary labour being a more or less permanent strategy (at least for the key younger working ages) for many low-skilled Asia-Pacific migrants needs to be investigated. Potentially, at least, it would seem to have advantages for:

- The *migrants* as they get an assured source of income for longer than a couple of years, and they receive a greater opportunity for training than would be the case in a one-off labour migration.
- The *employers* because they gain continuity and a greater degree of experience and skill, which provides productivity dividends.
- The *origin countries* as a result of the greater flow of remittances, and potentially a chance to improve the stock of human resources skills through extra training of migrants.

In addition it may have compliance implications because it reduces the number of runaways because the migrant worker can be assured of access to work in the destination over an extended period while remaining within the legal system.

A key factor of skilled TLM programmes like the 457 and HB1 is that there is the potential for migrant workers to apply for permanent residence after showing that they have integrated into the labour market and other aspects of the destination society. This could perhaps be considered for all TLM programmes under some circumstances. If a TLM programme has worked for an extended period in the destination and has been shown to operate effectively in the destination society and economy after five or more years' experience, there could be avenues for applying for permanent residence. It is important however that TLM programmes *not* be perceived by origin communities as being the first stage of permanent migration and that transitioning to permanent residency is automatic. Such unrealistic expectations have been a problem in parts of the New Zealand RSE programme.

### 3.2. Best Practice in Recruitment and Selection

It is at the initial recruitment and selections stages in Asia and the Pacific that many of the problems of excessive transaction costs are incurred. Too often migrant workers and their families go into debt to meet the costs and this is a major barrier to the earnings of migrants being invested in development-related or poverty reduction activities. This is complicated by the fact that in several countries there is a plethora of agents, subagents, middlemen, travel providers and officials that are involved in the recruitment and preparation process and imposing charges – some legitimate, others not. An obvious goal is to reduce these transaction costs to a level commensurate with the services provided and there are a number of practices which can help achieve this.

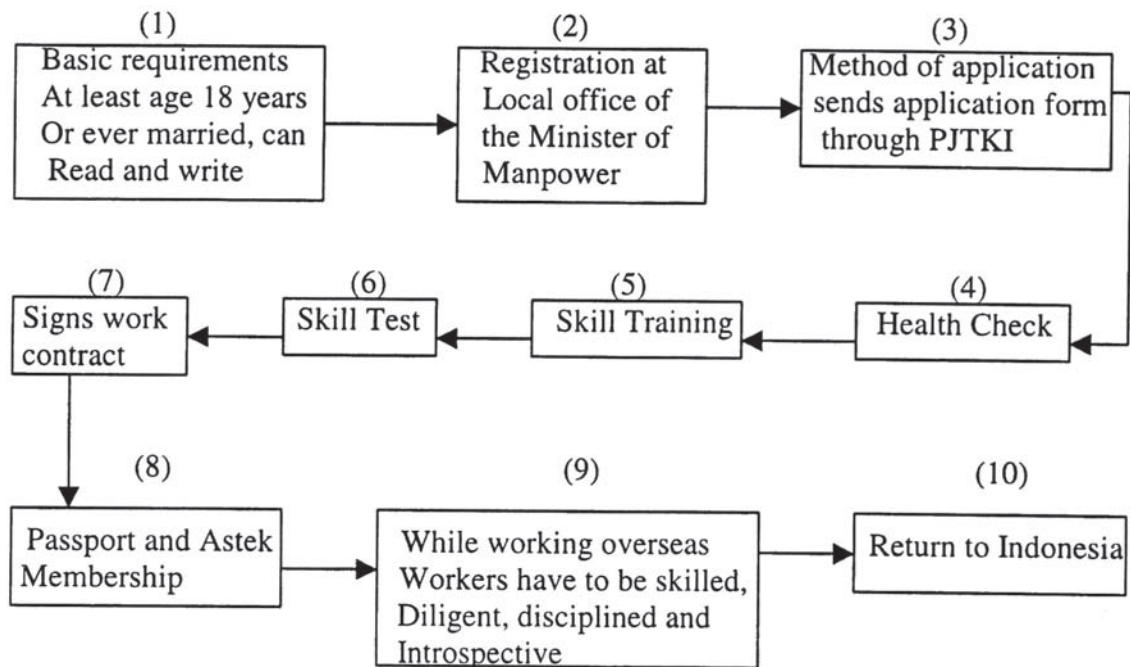
- Information provision. Much of the excessive rent-taking occurs because the potential migrant workers are insufficiently informed about what they should be paying. The development of effective information mechanisms, such as Migrant Resource Centres in origin areas, which empower potential migrants through accurate and detailed information about the recruitment process and costs, is an important element of best practice. Programmes in the Philippines by both government and NGO instrumentalities have demonstrated how effective this can be.
- In some sending countries, the official processes necessary for working overseas are excessively complex, costly, and time consuming. Figure 4, for example, shows all the stages that Indonesian official labour migrants have to go through. Moreover since disembarkation training and processing can only be at selected cities, the potential overseas contract worker has to travel to that place and stay there, often for months, to undergo processing. This increases costs considerably. Best practice here is to streamline the process and develop ‘one stop shop’ facilities to gain necessary government clearances.
- Effective management and control of private sector agents and others involved in the recruitment process. In some countries the links between private sector agents and government officials involved in the recruitment process are close and corrupt. The development of a professional, diligent, and appropriately

recompensed group of officials to manage this process is an important part of best practice.

- Involvement of NGOs in the process as an independent voice to provide advice to potential migrant workers can be effective as it has been in the Philippines.

Figure 4. Indonesia: Overseas Employment Through Legal Channels

Source: Ananta *et al.* 1998, 330



- Development by governments or banks of fair loan packages for potential workers to fund their travel to work overseas at low interest rates. These are needed to replace the usurious loans given by village money lenders and, often, recruiters themselves. Such loans should be an alternative product of banks since these can serve as a means to introduce migrants to the formal financial sector for the first time (Titu Eki 2002).
- Involvement of the destination-based employer in meeting the costs of recruitment. Best practice here is found in the Philippines' Sea-Based Migrant Worker Scheme where the employer meets all the costs of recruitment



(Magsaysay 2005). Involvement of employers in meeting some of the costs seems workable. In the New Zealand RSE, for example, employers are responsible for half of the airfare costs of Pacific seasonal agricultural workers. There is often ‘double dipping’ by middlemen taking recruiting fees from both employer and employee.

- Regulation of private sector recruiters, who are responsible for most of the recruitment of TLMs in Asia and the Pacific, especially low-skilled workers, is fundamental. In many countries, however, while such regulations can be quite stringent, there is a gap between policy and practice. The capacity of Immigration and Labour Departments in origin countries to enforce such regulations is limited. Moreover, corruption is often significant. One of the most effective models for effective regulation of private recruiters is in the Philippines. Abella, Martin and Midgely (2004) have shown that substantial education campaign is undertaken in the country aimed at potential migrant workers, informing them of regulations, including one which says that migrants cannot be charged more than a month’s salary for recruitment services. The regulation regime of the recruiters is a mix of carrots and sticks to comply with recruitment laws.
- In Asia and the Pacific, sending countries have periodically applied bans on recruitment of workers for deployment to particular countries or who possess particular characteristics. Indonesia, for example, at different times has banned sending unmarried women or women below age 24 to be migrant domestic workers. This has simply resulted in falsification of information. Moreover, bans to certain destinations are circumvented by reverting to undocumented migration. Clearly, such bans are to be avoided and best practice is to provide safe and fair channels for migration.
- Recruitment will always be selective as in all forms of migration, but best practice should avoid unfair discrimination. For example, some agricultural worker programmes, such as New Zealand’s RSE, favour married men because they are seen as being more stable and reliable and less likely to run away than



single men. However, by denying single young men access to foreign work, this can create a range of problems at home.

The above elements of best practice lie mainly in the ambit of sending nations and are thus, in some ways, easier to implement. However, achieving best practice in recruiting is no small task in many countries. It assumes a high degree of political commitment since it involves taking on considerable vested interests within and outside the government, if unnecessary rent taking is to be significantly reduced and the resources freed up made available for development in origin communities. It also presupposes dedicated and well-trained officials to develop and operationalize the practices. In reducing transaction costs, it may be useful to examine the ways in which some undocumented migration are managed in the Asia-Pacific region. In countries like Indonesia, it is the large differential in transaction costs that accounts for many Indonesian workers choosing to migrate using irregular channels. Examination of these processes may give clues as to how the costs of legal migration can be reduced.

Recruitment of skilled workers is generally less characterized by excessive transaction costs, exploitation, and corruption. Recruitment, although often involving agents, occurs more through formal mechanisms than is the case for lower skilled workers. The internet and other formal job advertisements are often important in recruiting skilled workers. The recruitment of doctors, nurses, teachers, etc. could be having some detrimental effects on the health and education systems in countries like the Philippines and some Pacific nations. It is obviously impractical for either sending or receiving nations to simply ban such recruitment, and there may be room for adoption of more ethical and responsible practices in such recruitment. These could include, on the receiving country's part:

- Schemes whereby low income countries which are a source of highly-skilled medical staff are provided by the receiving country with development assistance targeted to their medical training system. It has been shown that there are benefits to emigration countries where it is clear that education increases the chances of emigration, because of the larger number of people who seek education.

- Encouragement for return of skilled medical professionals once they have worked for a period at the destination.

One interesting approach to recruitment is to increase the involvement of communities of origin in the recruitment and selection of migrant workers, as has been attempted in the New Zealand RSE program. In seeking recruits from Samoa, for example, much of the initial selection of candidates was undertaken by local communities in association with local government. Communities were keen to only select those men and women who were considered to be diligent, adaptable, and unlikely to run away, since it was known that if the group of migrant workers did not make a good impression it is likely New Zealand would go elsewhere to recruit seasonal agricultural workers. This seems to have been very successful (Gibson 2008). It also seems that linkages develop between particular employers and particular communities in origin areas. This has occurred, for example, for particular employers in Sabah, East Malaysia and communities in East Flores, Indonesia. Over the years there has been a steady flow of undocumented workers from these particular communities to single employers, and strong relationships have developed between them that have benefited both parties.

### **3.3. Best Practice in Pre-departure Preparation**

It is apparent that some form of predeparture training and preparation can improve the chances of workers, low-skilled workers especially, of being successful in the destination. Such preparation is mandatory in some systems in the region (e.g. Indonesia) but its quality is often questionable. Low-skilled workers with low levels of formal education and with limited ability to speak the dominant language at the destination often find it difficult to cope with their work and other aspects of living. This is particularly the case when the migrant worker is isolated from fellow countrymen at the destination. Domestic workers are in this situation. Training must not be seen as yet another opportunity for squeezing money out of the migrant workers, nor can it be excessively long. The elements of best practice in predeparture training include:

- Specific skills training where the worker is expected to operate machinery or carry out tasks (e.g. pruning) which are not familiar.
- Targeted cultural awareness training to guard against workers upsetting destination populations with inappropriate behaviour.
- Some key phrases in the language of the destination.
- Clear explanation of the rights and obligations of both migrant workers and employers.
- Ridding workers of false expectations, especially relating to their jobs.
- Empowering migrant workers by guiding them on their response to exploitation, cheating, excessive work load, non-payment of salary, etc., and providing them with clear instructions of how to contact embassies, consulates and labour attaches if they are confronted with such situations. Provision to each worker of a cellphone with pre-programmed emergency numbers is increasingly seen as best practice in this area. Gaining cooperation of telecommunication providers here is already occurring in the Asian region.

Training needs to be appropriate to migrants' particular work and cultural situations. In the Philippines some excellent materials in comic book form have been produced to assist in this process. NGOs can and do play important independent roles in this training.

In some cases it may be possible for pre-departure training in particular skills to be integrated with later training at destination. In the New Zealand RSE and contemporary discussion for a similar program in Australia, there has been discussion of integrating pre-departure training in the skills required in harvesting, pruning etc. with Australia-New Zealand-based courses in these areas so that the skills acquired by migrant workers are given appropriate certification.

This dimension need not be confined to low-skilled temporary migrant workers. One big obstacle hindering the liberalization of skilled-worker movements between countries is the recognition of qualifications. There are often differences in the way things are done in some skill areas between countries even though most of it is virtually the same. There are a number of possible ways to ameliorate these problems and several of them apply pre-departure of the migrant worker:

- There could be regional attempts for an agreed core of skills which when certified could be recognized across the region. For example, it has been suggested that this could readily be the case in areas like welding and the operation of sophisticated machinery. This is being discussed in APEC.
- Bilateral and multilateral efforts between countries to examine curricula and qualifications to establish their acceptability at destination, and if not, what possible remedies there are to correct the deficiencies.
- Bridging courses both in origin and/or destination to make up these deficiencies in training and also to provide migrant workers with the information and knowledge to deal with differences in context at the destination.

In the pre-departure preparation it is good practice to use returned migrant workers to share first-hand their experiences of problems frequently encountered at destination and effective strategies for dealing with them. The pre-departure context can also be useful in helping workers set up secure and cheaper mechanisms for remitting funds back to their home communities.

In the Philippines the government has organized its Technical Education and Skills Development Authority (TESDA) so that it not only provides training to the native workforce but also to migrant workers. Undoubtedly this is a factor in the premium which Filipino workers are able to command around the world.

### **3.4. Best Practice in the Destination**

The success of temporary labour migrants, while it can be strongly shaped by their recruitment and pre-departure experience, hinges mostly on their workplace experience and the societal conditions at their destination. While the country of origin can influence this through developing MOUs on conditions of workers, setting up mechanisms like labour attaches and branches of national banks in destination countries, their power and influence is strictly limited by diplomatic practice and protocol. The employers and governments at destinations have a high level of influence in shaping the experience of migrant workers and, as was stated earlier, there is a need for a conceptual leap among policy makers in most destinations to begin to factor in to their deliberations

the possible effects of their policies and programmes, not only their own communities, employers and countries, but also to the immigrant workers themselves and to origin communities.

While origin governments lack jurisdiction in destination countries, NGOs can often effectively bridge origin and destination countries by working closely with different, but related, NGOs established in the destination. While NGOs by nature are separate from government, migrant worker administrations in sending countries in the region have varied widely in their attitude toward NGOs and other elements of civil society. In some countries (e.g. the Philippines) governments have been supportive of NGO activity in the protection and support of migrant workers and, partly as a result, NGOs have played an important role in advocating for and assisting migrant workers at home and abroad (Asis 2005). In other sending countries, government has not been so supportive of NGO activity in this area. In Indonesia, during the Suharto era up to 1998 especially, NGOs were not encouraged at all. Despite this, migrant worker NGOs developed and have flourished, especially in the post-Suharto era, and although government attitude remain ambivalent (Ford 2006; Hugo 2005). Experience indicates that support of NGO activity, especially that which bridges international boundaries in a way that government cannot, should be seen as best practice in international labour migration, as would support of that activity by origin and destination governments.

In considering the role of civil society in supporting temporary overseas workers in both origin and destination contexts, labour unions are well placed. However, labour unions generally are not strong in origin countries and few have shown strong interest in migrant workers. The latter applies to unions both at origin and destination. In receiving countries this is often associated with the fear that migrant workers can drive down wages and conditions of local workers, or even take their jobs. While such concerns are legitimate, the demographic pressures which are slowing the growth of local labour forces in destinations increasingly mean that the supply of local labour is not sufficient to meet demand in some sectors. A stronger appreciation of this among unions may help change these entrenched attitudes. Indeed, if it was possible for migrant workers to join or be affiliated with local unions at destination, it potentially would both protect the rights and conditions of local workers, as well as provide

protection and support for migrant workers. Unions in sending countries have the potential to protect migrant workers at recruitment and pre-departure period, as well as at destination through their international union linkages; but, so far, they have also shown a reluctance to involve migrant workers

In considering best practice in relation to labour migrants' experience in destination countries we will examine the roles of sending and receiving countries separately. However, it is important to underline that best practice would involve a high level of cooperation between governments of sending and receiving countries on these issues involving:

- An MOU which specifies the conditions under which labour migrants are accepted into a country, their minimum conditions, rights and obligations (and those of their employer), etc.
- A mechanism to allow regular discussions between countries on migrant issues.
- A mechanism through which there can be timely and effective action to deal with pressing specific issues relating to migrant workers.
- An open channel of communication between governments in which there can be frank regular interchange and discussion of migrant worker issues.

There are major limits on what sending countries can do to protect their migrant workers at destinations because of jurisdictional issues. This is especially true when migrant workers in destinations are undocumented and have no legal status at destination, as is often the case in the Asian context. Nevertheless, nation states do have an obligation to protect and support their citizens in foreign countries and standard diplomatic channels are available which respect and facilitate this. A major issue is the political will in receiving country governments to protect and stand by their citizens working overseas, which varies between sending nations. Again some of the best practices in this area within the Asia-Pacific region come from the Philippines (Martin, Abella and Midgley 2004) and elements of their approach are as follows:

- The government has demonstrated over the years a strong commitment to support their workers overseas. For example when a Filipino maid was sentenced to death for killing her employer in the UAE, three Filipino ministers flew to the UAE and successfully pleaded for her life to be spared (Martin,

Abella and Midgely 2004, 1553). On the outbreak of war in Kuwait and Lebanon, decisive government action was taken to repatriate Filipino migrant workers. There are many other examples where the government has demonstrated that it has the commitment and capacity to support their overseas workers when they are in trouble.

- The Philippines has been very active in setting up labour attaches in embassies and consulates in all countries (indeed major cities) where there are substantial numbers of Filipino overseas contract workers deployed. In 2008, there were Filipino labour attaches in 35 locations. Moreover, the role of the labour attaché is well developed and migrant workers are informed of how to contact them.
- Sending country governments can also encourage their national banks to establish branches in major destinations of their migrant workers to facilitate the sending of remittances. Russell (1991), for example, notes that when the Philippine National Bank sets up in a new location there is a noticeable spiking in the flow of remittances from that country.
- Sending countries can encourage and assist NGOs to be involved (with partner NGOs in the destination) to provide support, advocacy, and protection for migrant workers at the destination.

Remittances are usually the *raison d'être* of temporary labour migration for both the migrant and the sending country and maximising their flow is a priority for both (Athukorala n.d. 2). In some cases, policies of this type have been quite ill conceived. For example, Indonesia – in its 1994-99 Sixth Five Year Plan subsequent pronouncements – the government has expressed the aim of replacing its dominantly unskilled worker outflow with semi-skilled and skilled workers in order to maximize remittance inflows. However, as Hugo (1995, 291) states, there is a discordance between such plans and reality. The outflow is overwhelmingly unskilled and this has remained the case over the last decade. Indeed, the comparative advantage enjoyed by Indonesia is largely in supplying unskilled workers, of which it has a large surplus.

There has been an increasing realisation in several Asian emigration and labour exporting countries that remittances can make an important contribution to national, regional and local economies. This was realization was heightened in several nations

like the Philippines, Thailand and Indonesia during the Asian economic crisis in the late 1990s when they faced a sudden decline in foreign investment and increases in unemployment and underemployment. Remittances gained new emphasis as a source of foreign exchange and emigration was made even more attractive by the devaluation of local currencies. Overseas labour migration was one of the strategies used to cope with the effects of the crisis.

Some nations have built remittance targets into their national Development Plans. In Indonesia, for example, in the Fifth Five Year Plan (1989-94) it was estimated that US\$1.8 billion was transferred through official channels and so a target of US\$8.4 billion was set for the Sixth Plan (Hugo 1995). Other nations have put in place programmes to capture as much of the foreign exchange earned by its nationals based overseas as possible. South Korea was a pioneer in this, stipulating as a condition of issuing exit permits to contract workers that at least 80 percent of earnings had to be remitted through the Korean banking system (Athukorala n.d., 3). Attempts by the Philippines, Pakistan, Thailand and Bangladesh to do something similar have failed (Abella 1992). It is difficult to enforce such regulations when much of the labour migration is occurring outside of government influence.

Athukorala (n.d., 4) points out that sending countries use two systems to encourage migrant workers to send remittances through official channels: repatriable foreign currency accounts; and foreign currency dominated bonds. Most Asian countries with substantial numbers of workers overseas, both temporary and permanent, have systems in place in their domestic banks for remittance of earnings to foreign currency accounts. These accounts are not subject to existing foreign exchange regulations and in some cases (e.g. India and Pakistan) have an interest rate policy which allows such accounts to earn interest above prevailing world rates (Athukorala n.d.).

Some Asian nations have attempted to tax remittances at various times but in most cases these have failed with the main effect being to channel remittances through non-official channels. In 2002, Sri Lanka announced that it would impose a 15 percent tax on the US\$1.2 billion remittances received each year. However, it had to quickly



withdraw the measure when there was a massive outcry (*Migration News*, January 2003).

India has a long history of encouraging Indians living abroad to remit money to their home country. One scheme has been to sell national bonds to Indian nationals. In 1998, for example, the Indian government offered 'Resurgent Indian Bonds' denominated in foreign currency available only to Indian investors (Dalal 1998, 53) which are:

- free from exchange risk;
- exempt from Indian wealth and income taxes;
- carry interest rates of 7.75% (US\$), 8% (Sterling) and 6.25% (Deutschmark).

This bond issue sought to raise US\$5-6 billion. While part of the money is kept abroad, much is used to fund infrastructure projects. In addition, there are a range of schemes to attract deposits from Indians abroad. In the Middle East, where there are 2.5 million Indians living and working, there are non-resident accounts available at local bank branches.

Pakistan, too, has developed a package of measures to attract remittances from overseas citizens through official channels as opposed to the Hundi system. This has partly also attempted to overcome the suspicions of overseas Pakistanis caused by corruption and inefficiency in the Pakistani banking system and the government's short-lived decision in 1999 to freeze foreign currency accounts (*Pakistan Economist*, 13-26 March 2000). The Ministry of Finance has introduced a Foreign Exchange Remittance Card (FERC) issued if US\$2,500 are remitted through official channels which enables holders to get free issuance and renewal of passports, duty free allowances etc. (*Asian Migration News*, 31 August 2001). A different range of privileges are available to those remitting larger sums annually.

In the Philippines, a number of incentives are given to encourage overseas workers to remit and spend their foreign earnings at home. The 'Balikbayan Program' contains a number of measures such as granting Overseas Foreign Workers (OFWs) permission to spend up to US\$2,000 in duty-free stores within two weeks of coming back to the Philippines (*Asian Migration News*, 31 October 2000). The government issues small denominational Treasury bonds to mobilize dollar remittances from OFWs

(*Asian Migration News*, 31 March 1999). There has been government action to establish Filipino banks in main destinations to facilitate the capture of remittances (*Manila Chronicle*, 28 May 1995).

Best practice in both origin and destination countries involves educating migrant workers and potential migrant workers about all of the alternatives for sending money home, especially the availability of lower cost and more secure options. The sending country can support this by encouraging national and other banks from the home country to establish low-cost channels for remittances, including setting up branches in major destinations. Particular notice should be taken of new low-cost alternatives including mobile phone based remittances (World Bank 2006, 150). Familiarising migrants with remittance systems can be their first step toward 'financial literacy' and involvement in the formal financial system which maybe very helpful to them in the future (Terry and Wilson 2005).

One dimension of ensuring that as remittances is maximized and available for development is the portability of social security and health insurance payments made by migrant workers. Holzmann, Koettl and Chernetsky (2005) argue that portability involves the ability of the migrant worker to preserve, maintain and transfer acquired social security rights regardless of the country of residence. It is thus important for countries of origin to negotiate bilateral social security arrangements with major destinations where the migrant workers accumulate such rights. This, however, mostly applies only to skilled temporary labour migrants in Asia and the Pacific.

One dimension of international temporary labour migration which is often overlooked is the social costs which are endured by the migrant and their family through extended separation (Hugo 2004). There may be a role for sending governments in ameliorating the social costs on the family that remain behind. At present it is the extended family, community solidarity, and NGOs that provide support, but governments may also be able to play a role.

Although sending governments can play a role in the protection and support of migrants in destinations, the migrant experience is influenced more by employers, governments, and the society in those destinations. Governments play a central role because they set the conditions under which migrant workers can enter their country, the

rights and access to services to which migrants are entitled, and the obligations which they have while in the country. An example of best practice here include those undertaken by the New Zealand government in piloting its RSE seasonal TLM program for selected Pacific Island countries (Gibson 2008; Klapdor 2008; Ramasamy 2008; Gibbs 2008). Some of the initiatives of government have included:

- Involvement of New Zealand's development assistance agency as well as immigration authorities and other relevant government departments at all stages of the design of the program. This was to maximize the positive developmental impacts in origin communities. In the past, only immigration authorities have been involved in the development of migration programmes, together with security and foreign affairs agencies. Involvement of such agencies is a prerequisite for developing 'development friendliness' in labour migration programmes.
- New Zealand also has involved employers and employer organisations at each stage in the development of the policy and operationalisation of the programme. This has led to employers agreeing to pay part of the airfares to bring in workers and developing pastoral care programmes to assist worker adjustment.
- Minimum wage levels were fixed and these were the same as for New Zealand workers doing the same work. There were deductions for housing and other costs. Minimum housing standards were set. Since the work is seasonal, the employers also had to guarantee a minimum number of workdays each week.
- The New Zealand government carries out audits of employers of temporary labour migrants from time to time to ensure that they are meeting the requirements of regulations concerning work pay and work conditions, housing, etc.
- The New Zealand government is carrying out an evaluation of the impact of the RSE program in New Zealand *and* in the origin countries (Ramasamy 2008). This includes base line studies undertaken at the outset of the program (Gibson 2008).

Ruhs (2005, 2006) has argued that the first fundamental step for destination countries developing sound policies on temporary labour migration is effectively

managing the demand for labour. Employers will always have a 'demand' for foreign workers if it results in lowering their costs. Temporary labour migration must not be a means for driving down the conditions of local workers or even displacing them. The backlash against the Australian 457 Skilled Temporary Migration Program has been driven by reported abuses of the system by a few employers who pay lower than award wages and replace local workers with foreign workers. Best practice should be to offer wages at the same (or better) levels than are offered to local workers. In this way labour shortages reported by employers are more likely to be genuine. Some countries in Asia have imposed levies on employers who have foreign workers to moderate the demand for foreign workers. While Malaysia and Taiwan have versions of this approach, it is Singapore which has developed the complex set of levies shown in Table 3. As Abella (2006, 43) has pointed out:

‘The avowed purpose is to moderate the demand for foreign workers by making it more costly to employ one, especially unskilled workers ... The policy also aims to penalize dependence on foreign labour by making the levy rise with the proportion of foreign workers employed’.

A more common approach is to apply labour market testing to establish labour shortages. However such testing and forecasting is not a precise art (Ruhs 2006, 19).

One approach which is worth considering by potential destination countries is to undertake a *Pilot Scheme* of temporary labour migration. This should involve targeted industries and a limited number of countries of origin, allowing the monitoring of impact and the finetuning of the mechanisms of migration. The RSE Scheme in New Zealand is following this approach and it is apparent after the first year of operation that a number of changes (albeit small ones) are necessary if the scheme is to fulfil its potential to meet the needs of the destination and assist development in the origin (Gibson 2008; Maclellan 2008).

Table 3. Singapore: Foreign Worker Levy Rates for Worker Permit and S Pass Holders  
Source: Abella 2006, 43

Sector	Dependency Level (DC)	Category of Foreign Workers	Levy Rates S (\$)
Manufacturing	Up to 40% of the total workforce	Skilled	100
		Unskilled	240
	Above 40% to 50% of the total workforce	Skilled	100
		Unskilled	310
	Above 50% to 60% of the total workforce	Skilled/Unskilled	500
Construction	1 local full-time worker to 4 foreign workers	Skilled	100
		Unskilled	470
Marine	1 local full-time worker to 3 foreign workers	Skilled	100
		Unskilled	295
Process	1 local full-time worker to 3 foreign workers	Skilled	100
		Unskilled	295
Service	Up to 30% of total workforce	Skilled	100
		Unskilled	240
	Above 30% to 40% of total workforce	Skilled/Unskilled	500

One of the fundamental responsibilities of destination countries is to ensure that migrant workers' labour and human rights are protected. Since most labour migrants are tied to a particular employer, they are often more subject to exploitation and abuse than local workers. Maclellan and Mares (2006, 39-40) maintain that accordingly 'safeguards must be built in to protect workers' rights and guarantee freedom of association. There must also be a mechanism of independent dispute resolution to manage conflicts when they arise'. As Ruhs (2006, 16) has pointed out, liberal and democratic host countries have a poor record of enforcing the law against employers of migrant workers.

One of the real challenges for governments seeking to protect migrant workers in Asia is that many are not employed in standard workplaces which are subject to standard labour laws within countries. This especially applies to many women labour migrants, especially those who work as domestics and carers in private homes. More than three million Asian women at any one time are away from their home countries (especially Sri Lanka, Indonesia and the Philippines) working in such situations. However entertainment workers are also significant in number and often work in situations where they are at high risk of exploitation. There are few examples of best

practice which are available here because these workplaces are also beyond the reach of standard workplace protection mechanisms for native workers as well. As Yeoh, Huang and Rahman (2005, 9) point out:

‘... transnational domestic workers brought in to perform what is perceived to be low-skilled work are admitted as contract workers embodying cheap labour, not as social or political subjects and, as such, are accorded few rights of participation in wider society. Their transience is carefully ensured by state regulatory mechanisms’.

They show how in Malaysia, Taiwan, Hong Kong, and Singapore draconian policy measures have been put in place which limit the rights of domestic workers – tying them to a single employer, banning marriage to a local, compulsory health tests, disallowing dependents, enforcing ‘live in’ situations and immediate repatriation if found to be pregnant. However increasingly there is evidence of migrant domestic worker activism especially in Hong Kong and NGOs (often organized by local women) taking a prominent role in supporting the rights of migrant worker women in vulnerable situations (Wee and Sim 2005; Rahman, Yeoh and Huang 2005).

Perhaps best practice in this area has been demonstrated in the small Live-in Caregiver Program (LCP) of Canada (McKay 2005). This program allows caregivers to apply for permanent residence in Canada after three years. Yet even in this program, McKay (2005, 323) maintains that legislation and policies to protect the rights of such workers are highly ineffective. The following elements would appear to be best practice in this very difficult area:

- Providing mechanisms for live-in workers to make complaints and fair processes to investigate and adjudicate on them.
- Making ‘live-in’ status optional.
- Encouragement of the development of NGOs supporting the rights of domestic workers.
- Ensuring that the basic rights of workers applying to formal workplaces apply also to domestic workplaces.

As Ruhs (2006, 30) has pointed out, a temporary labour migrant programme can never give an upfront guarantee or even raise the expectation that a worker admitted

under the programme will eventually and inevitably acquire the right to permanent residence in the destination. However this does not

‘preclude the possibility that the host country might facilitate a strictly *limited* and *regulated* transfer of migrants employed through TMPs [temporary migration programmes] into permanent residence based on a set of clear rules and criteria’.

One best practice which applies not only to migrant domestic workers but other temporary labour migrants is the establishment and resourcing of *Migrant Resource Centres* (MRCs). These have been predominantly developed by NGOs although in major immigration countries like Australia, state and federal government have been instrumental in the development of MRCs. Such centres have been shown to play an important role in facilitating the adjustment and protection of migrants. Among other things, the functions of MRCs can include:

- Serving as a point of contact in emergency situations.
- Providing a mechanism for informing overseas contract workers of their rights and obligations.
- Providing a place of support for overseas contract workers – economic and emotional.
- Serving as a place to provide information on how to access services in the destination.
- Facilitating linkages with the homeland (including remittances).
- Providing training – e.g. in language.
- Assisting in preparations for return.
- Legal aid.

Informal meeting places have evolved in places like Singapore and Hong Kong where domestic and other workers congregate on their days off, which MRCs can build on and formalize the support provided in these places.

An important element in the best practices of destination countries involves the setting up and administration of a mechanism for regulation of employers of temporary labour migrants. Best practice here seems to involve granting special status to employers who have a good reputable history of abiding by regulations and fairness in

dealing with migrants. This status involves less complex application for workers and reporting. However, for other employers, inspection and full compliance with regulations is necessary. Moreover, employers that repeatedly fail to meet regulatory requirements should be banned from employing temporary labour migrants. Best practice involves adopting a system of labour inspections to meet the specific problems of migrant workers.

Another element of best practice at destinations involves provision of training for migrants. This provides not only a better workforce for employers but the opportunity for social mobility among the migrant workers. In the New Zealand RSE Scheme, some large employers have established training facilities in origins to prepare them for work in New Zealand. Training also means that migrant worker will return to his or her origin country with new skills which can benefit not only them but help in the development of their home country.

At the destination, visa issuance delays and complexities can also be an issue. Best practice involves minimizing time and cost while ensuring that all appropriate health, skill and security checks are carried out. It is apparent that the complexity of entry in official migration systems is one of the major reasons why undocumented migration is so prevalent. Several countries have developed very 'skill friendly' visa systems but this needs to be extended to lower-skilled workers. A related issue here refers to the ability of migrant workers to return to visit their home countries for vacations or when there are family crises. At present such leaves are discouraged, even when the origin country is close by (e.g. the Malaysia/Indonesia situation).

It is possible that the difficulty of return can be a major factor in encouraging temporary labour migrants to seek to remain at the destination on a permanent basis. An often repeated phase in the literature is 'there is nothing as permanent as a temporary migrant'. In fact there is evidence that many low-skilled migrant workers see a number of advantages of maintaining a regular pattern of circular international migration in preference to permanent settlement at the destination, such as the following:



- They are able to ‘earn’ in the high income, high cost destination and ‘spend’ in the low income, low cost origin and hence maximize the purchasing power of their earnings.
- They seek to retain their traditional cultural language and other associations with their homeland.
- They wish to maintain strong family linkages and this can be more easily done at home rather than at the destination.

Moreover compared with the situation which prevailed in Western Europe in the 1950s and 1960s (on whose experience much of the fear of temporary migrants becoming permanent is based) modern forms of transport and communication have greatly reduced the friction of distance between origin and destination countries. This has meant that migrants are able to maintain closer and more intimate linkages with their home area than ever before. The cheapening cost of phone calls, the introduction of email and fax, and the cheapening and speeding up of international travel have not only made it possible for migrants to interact in real time with their home country on a regular basis, but visit home more frequently in emergencies and for breaks. This has greatly reduced the imperative for many temporary workers wanting their family to join them in the destination. Indeed, in the writer’s experience, in the right contexts, circulation can become a permanent international migration strategy. However, this does presuppose the migrant worker being able to interact freely with her/his home country. Frequently, it is the case that such interaction is made difficult, especially where the migrant workers are undocumented. Hence, increasing policing of the Mexico-United States border has resulted in a reduction in circulation and an increase of Mexicans permanently settling in the United States (Cornelius 2003). Similarly the hardening of attitudes in Malaysia on border entry (Inglis 2002) may be contributing to more Indonesian migrants deciding to settle there.

It may also be that destination governments can play a role in reducing the transaction costs of sending remittances back to origin countries through its regulation of the local banking system. If there is ‘development sensitivity’ in the migration system at the destination such interventions can be part of the ‘development assistance’ of the destination country even though it doesn’t take place in the origin country. In a

similar vein, it may be that the development assistance program in the destination country could be made 'migration sensitive'. This could involve, for example, the introduction of programmes in the origin communities of migrants to facilitate their readjustment to the home community and provide development investment opportunities for them (Hugo 2008c).

There is an emerging opinion that the adoption of a Points System by destination countries can provide a fair and efficient system. However experience with such systems has been mainly confined to skilled migration, especially permanent settlement as has been the case in Canada, Australia and New Zealand. There is a substantial administrative cost associated with testing for recognition of qualifications and other items. However, in the EU the new *Blue Card* will allow third country nationals who are skilled workers and professionals to temporarily reside there while on a contract (*Asian Migration News*, 1-31 May 2008). It is difficult to see how such a system would be workable with low skilled migrants.

As was indicated earlier, one of the most vexing issues in destination countries of temporary migrants is the fear that they will transition into permanent settlers as was the case with guestworkers in several Western European countries in the 1950s and 1960s (Castles 2006b). The compliance issues and costs associated with detecting and repatriating overstaying TLMs loom large in destination and potential destination countries of low-skilled migrant workers. Best practice in this area would include the following:

- Provision of ample opportunity for temporary migrants to visit their home country on vacations and for key family events.
- Provision for repeat temporary labour migration.
- Provision for fair return for the work done by migrant workers.
- Provision of the ability to receive training as a migrant worker.
- Provision for the temporary worker to apply for permanent residence in specific circumstances such as marriage with a native, application of an employer who after five years of experience of employing the temporary migrant wishes to hire them on a permanent basis.

- Auditing and regulation of employers so that there is no incentive for the temporary worker to run away to escape below average conditions or be attracted by conditions in alternative employment.

### **3.5. Best Practice on Return**

Return to the home country is a fundamental characteristic of temporary labour migration and can be crucial in determining the extent of the developmental impact of that migration. The destination country is involved to the extent that it can facilitate the termination of work and travel to the homeland to be as secure and inexpensive as possible. In some cases of Indonesians in Malaysia, employers refuse to pay the full wages (some of which are often retained by the employer) or to return the migrant's passport without payment. The imposition of unauthorized charges on accommodation, transport etc. is also common at this stage. In cases where the migrant workers have been contributing to compulsory (or voluntary) pension schemes, full portability is best practice. It has been known that criminals cluster in transport points and border crossing areas to prey on returning migrant workers so it is imperative to provide secure passage in such situations.

Nevertheless, it is predominantly the responsibility of the origin country and the community to provide the context in which the returning migrant worker can have maximum impact on local, regional and national development. As is the case with destination countries facilitating the safe and free return to the home community is an important part of best practice. However this is not always the case. In Indonesia, for example, legal overseas contract workers are compelled to return through the infamous Terminal 3 at the Jakarta airport. Here they are subject to a number of imposts, official and unofficial (Silvey 2004). They are compelled to return to their home area using a sanctioned carrier at an inflated price. Such practices are to be deplored and best practice would instead facilitate a speedy and safe return to the home area.

Reintegration programmes for returning migrant workers have not been well developed in the region. However it is apparent that many returnee communities lack the potential for productive development investment by the migrant worker or anyone

else for that matter. It is not reasonable to expect returnees to invest in their home communities if those areas have no potential for providing returns on that investment. Hugo (2004) shows that in East Nusatenggara province in Indonesia, returning migrants from East Malaysia have few opportunities to invest their earnings in development-related activities because this peripheral region has been all but ignored by central government and lacks infrastructure of all kinds. For example, the lack of transport prevents the development of a fish canning and freezing industry for which there is good potential. In addition, while many invest in the education of their children, this money is often used to send their children to Java because local schools are limited in level and quality. Thus the macro-economic context must be conducive if it is expected that returning migrants are going to invest in development-related activities. The important point is that remittances need to be built into local and regional planning so that real opportunities are created for migrants to invest in.

One element that could help facilitate the investment of remittances in development-related activity is the development of attractive financial products by financial institutions in origin countries. Titu Eki (2002) has shown how in the East Flores area of East Nusatenggara in Indonesia, migration has facilitated greater financial literacy while banks have responded by locating branches in outmigration areas.

There have been only very limited attempts by governments in Asia to channel remittances into productive investment. Athukorala (n.d., 9) has indicated that these policy initiatives have taken two forms – business counselling and training on the one hand and training cum action programmes to turn return migrants into entrepreneurs. In relation to the first type, he discusses programmes in Thailand, Pakistan, the Philippines and Sri Lanka, while with respect to the second type, programmes in Sri Lanka, the Philippines and Kerala, India are examined. However, efforts in these areas remain very limited. The fact remains that remittances' impact on development will be maximized where there are sound macro-economic environments and policies at both national and regional level.

## 4. Conclusion

Best practice in labour migration aim at matching workers from one country with appropriate job opportunities in other countries, such that documented migration becomes a more favoured option than undocumented migration, that workers are protected, and that their effects on development at home are maximized. In the Asia-Pacific region temporary labour migrationi often does not attain its potential beneficial impact on development in origin areas because of poor governance, which prevails in many such migration systems. Best practice examples are limited. In particular, there is excessive rent taking which is siphoning off a large share of the earnings of migrant workers that otherwise could have been directed to development-related expenditures in the origin area. Moreover, poor governance results in significant undocumented migration, lack of protection, and exploitation of migrant workers and destination communities developing anti-migrant attitudes and practices.

There is no single best practice in temporary labour migration which is suited to all or even most origin and/or destination countries. Much depends on the particular context. It is not so much that specific practices can be lifted from one country to another but more that the *lessons* that are learned from the experience of a single country are learned not only by that country but others as well. Moreover there is a need to enhance our understanding of ‘what is likely to work under what conditions’. Appreciation of the significance of context is important.

Abella (2006, 53) while agreeing that it is not possible to put forward best practices in temporary labour migration that are applicable to all or most countries, states it is possible nevertheless to identify the elements which make for successful programmes. These include:

- Proper management of labour demand.
- Combining long-term forecast of supply deficits with practical methods for responding to current demands of industry.
- Transparency of the admissions criteria for selection and length of approval process.
- Recognition of qualifications to enhance utilization of migrants’ skills.

- Cooperation between origin and destination countries especially in supervising recruitment and employment.
- Protection of the fundamental rights of the migrant workers.
- Flexibility in determining periods of stay to allow for differences in the type of work to be performed and conditions in the labour market.
- Allowing for change of employers within certain limits.
- Avoiding creating conditions (i.e. imposing forced savings schemes, employment of cheap labour through trainee schemes) which will motivate migrants to opt for irregular status.

To these we might add:

- The adoption of more ‘development friendly migration policies by both sending and receiving countries.’
- Commitment by both sending and host countries to strictly enforce the law to all parties – the migrants, recruitment agents, employers etc. (Ruhs 2005, 16).
- Effective administration of a temporary labour migration requires both sending and receiving countries having the *capacity* to manage such programmes – committed, properly remunerated staff and the access to and training in the hardware and software of modern migration management.
- Effective cooperation between sending and receiving countries and the governance of migration systems are necessary for effective labour migration systems.

Empirical evidence confirms that temporary labour migration *can* work to the benefit of development in origin countries in Asia and the Pacific. The argument in the origin should *not* be as to whether or not circular migration can have a positive developmental impact in origin areas, but more in terms of:

- Under what circumstances does it have a positive impact?
- What policies and opportunities are needed to maximize the development dividend and reduce the chances of a negative impact?

Whether circular migration can have positive impacts on development is influenced greatly by the governance of the migration system involved. Maximizing the benefits will not involve, not only reform of these systems, but an acceptance

throughout the region that widening demographic and economic gradients between nations render such migration not only desirable but necessary if national prosperity and sustainability goals are to be realized. This conceptual shift to a full recognition of labour migration as an essential structural element in many national economies is required if governance of labour migration systems is to be given the attention and resources it needs.

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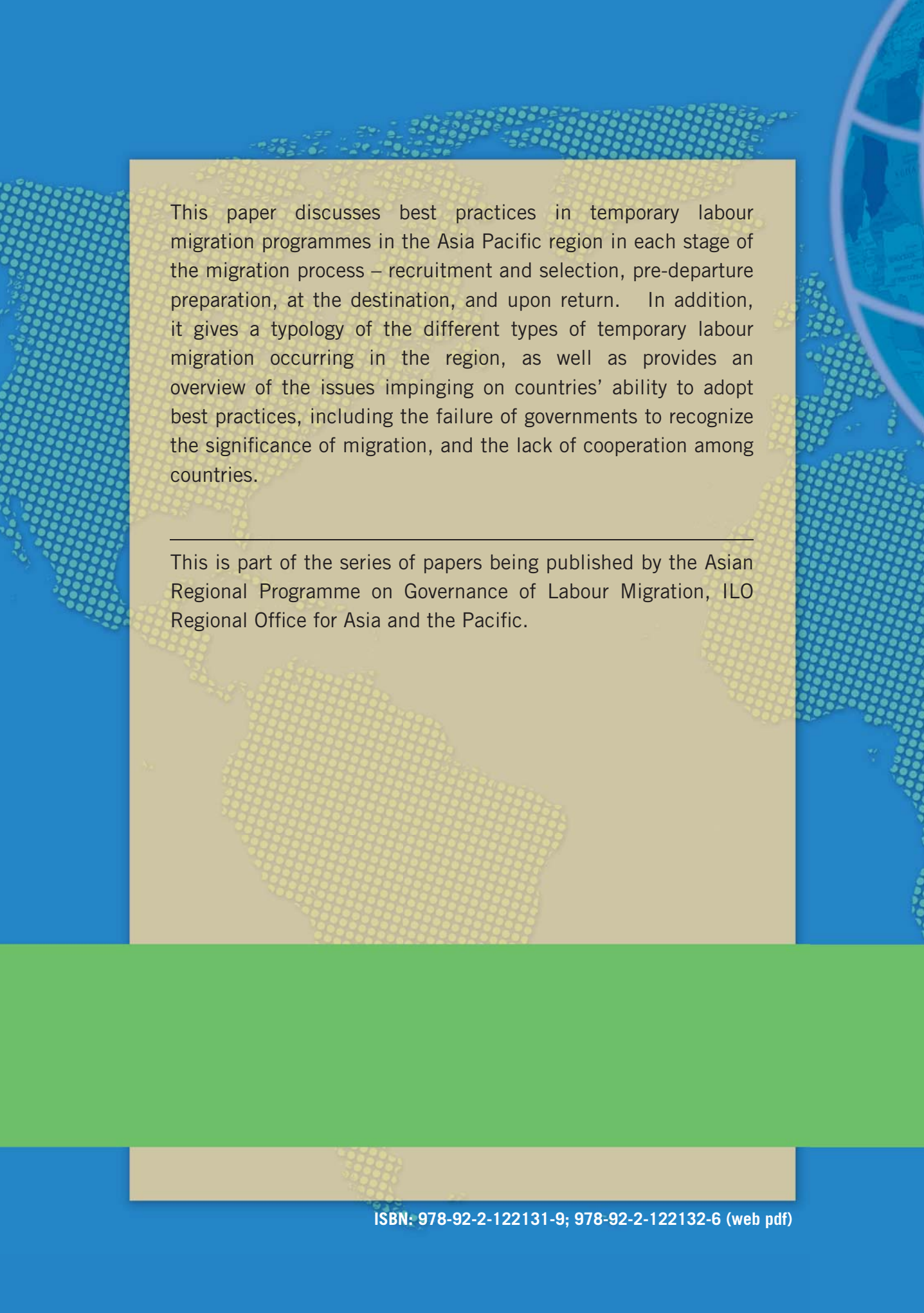
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This paper discusses best practices in temporary labour migration programmes in the Asia Pacific region in each stage of the migration process – recruitment and selection, pre-departure preparation, at the destination, and upon return. In addition, it gives a typology of the different types of temporary labour migration occurring in the region, as well as provides an overview of the issues impinging on countries' ability to adopt best practices, including the failure of governments to recognize the significance of migration, and the lack of cooperation among countries.

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