Different Streams, Different Needs and Impacts: Managing International Labor Migration in ASEAN – Thailand (Emigration)

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ABSTRACT

For decades, Thailand has had a strong labor market in both supplying and demanding labor resources. Since the 1970s, Thailand has sent workers to the Middle East, Japan, Taiwan, Singapore, and Malaysia, among others. Based on the Socio-Economic Survey, emigrant workers come from households with low income and wealth; therefore they are heavily indebted. It can be concluded that poverty and indebtedness are push factors that had forced the migration of Thai labor, while higher income and better lives in destination countries were pull factors.

The major institution for managing emigration in Thailand is the Ministry of Labor. Under the Ministry of Labor, the Thailand Overseas Employment Administration (TOEA), a unit of the Department of Employment (DOE), was established as one-stop center to facilitate overseas job-seekers in both employment and financial issues.

In consideration of national policies, Thai overseas workers have been protected by the Constitution of the Kingdom of Thailand B.E. 2550 (2007) and the Employment and Job-Seeker Protection Act B.E. 2528 (1985). Overseas employment and its management are mentioned in Chapter 3 and Chapter 4 of the Act. The “Fund for Job-

1 This paper was prepared by Associate Professor Yongyuth Chalamwong (PhD), Sasitorn Archapiraj, Khanittha Hongprayoon, Lailita Lason, and Jidapa Meepien of Thailand Development Research Institute.
Seekers Working Abroad” was established under the Act to help Thai overseas workers.

As for bilateral agreement and regional policies, there have been G-to-G (government to government) cooperation and private-to-private cooperation. Under G-to-G, Thailand has signed bilateral agreements for labor cooperation with several countries, including Israel, Japan, South Korea, Malaysia, United Arab Emirates (UAE), and Taiwan. For private-to-private arrangements, private agencies have agreed to participate in labor transfer while government agencies only act as regulators and facilitators.

OVERVIEW OF EMIGRATION IN THAILAND

The early phase of international labor migration in Asia started in the 1970s. In the mid-1970s, the Middle East was the prime destination of overseas job-seekers (Tsay 2002). In 1982, there were 117,341 Thais registered to work overseas, 90 percent of which were found in the Middle East and North Africa, according to the Thai Ministry of Labor and Social Welfare. Saudi Arabia was the most popular destination. It had more than 45,000 Thai workers, 40 percent of the total number of Thai overseas workers at that point.

However, the number of Thai workers in the Middle East and North Africa declined dramatically to 27,392 in 1990 from 86,761 in 1989. As a result, the corresponding market share declined to 43 percent in 1990 from 71 percent in 1989 (Tsay 2002). It was due to the oil crisis in the early 1990s. The subsequent drop in the oil price was partly accountable for the decrease in demand for labor in the oil-producing countries. However, there were also other non-economic factors involved. Saudi Arabia, the biggest host for Thai labor during that period, stopped issuing working visas for Thais after a diplomatic incident in the late 1980s. While the labor market in the Middle East was declining, there came an increasing need for foreign labor in the Asia region. Many countries in Asia were undergoing rapid economic and industrial growth since the 1960s. With such rapid development especially in the manufacturing and industrial sectors, many countries in East Asia experienced labor shortages, giving rise to new job opportunities.

In 1993, there were 118,600 Thai laborers who went to work in the Asian region. This represented 86 percent of the total number of Thai overseas job-seekers (137,950). Those who went to work in the Middle East went down to only 17,019 or 12.3 percent. Other countries accounted for 2,321 workers or 1.7 percent. In the period between January and September 1999, there were 71,486 Thai workers working in Taiwan, 3,668 in Japan, 1,781 in Singapore, and 1,322 in Malaysia (TOEA 2000).
In 1997, the Asian financial crisis started in Thailand with the collapse of the Thai baht and the government’s subsequent decision to float the currency. Currency devaluations spread throughout South Asia and Japan, causing stock markets to decline, reducing import revenues, and even causing political upheavals in some countries. Employment opportunities after the crisis varied between the destination countries. In Malaysia, there were still job opportunities in some sectors, such as the manufacturing and service sectors. Seasonal agricultural work was also available. In Japan, semiskilled jobs in the service sector were still available, although the matter needed to be negotiated while unskilled works were discouraged. Prior to the financial crisis, Taiwan had the largest amount of Thai labors outside Thailand. Taiwan also experienced a decline in construction work; this would have caused considerable problems if steps were not taken (Supang 2001).

The global financial crisis that broke out in 2008 had several impacts on Asian economies and the labor market. While it appeared that many Asian economies continued to grow rapidly in 2008, recent data show the Asia and Pacific region were under considerable stress as a result of the global economic crisis. Economic growth in the region declined to 5.1 percent in 2008 from 8.0 percent in 2007. The impacts of the global financial crisis on developing economies were noticeably less than that of developed economies in the region. As regards the labor market, this crisis has resulted in an increase in the number of job losses. Recent national data show significant employment impact in the manufacturing sector in many countries. Unemployment rate in Thailand increased to 2.1 percent in 2009 from 1.7 percent in early 2008. Unemployment rates in destination countries for Thai workers also increased, affecting the numbers of Thai overseas workers.

Political unrest in Tunisia which climaxed in early 2011 has triggered political upheaval in various countries in the Middle East and North Africa. Situations in some countries such as Egypt and Libya have escalated; this made a huge impact on Thai overseas workers working in such countries.

When the situation in Libya, where there was a considerable amount of Thai workers, turned violent, the Thai government reacted by launching an evacuation plan to remove all its nationals from the main trouble spots to nearby countries such as Tunisia, Egypt, and Italy. Thais stranded in Tripoli were evacuated by ships to nearby countries before they were transported back to Thailand by charter flights. The government then supported and encouraged these workers to work in Taiwan, Algeria, and UAE (Figure 1).

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2 International Monetary Fund (IMF) World Economic Outlook Database, April 2009.
3 Huynh et al. (2010)
Current trends in labor emigration

In 2008, there were 162,034 Thai overseas workers. Out of that number, 68,252 or 42 percent re-entered work overseas, and 93,782 or 58 percent entered overseas countries to work for the first time. The emigration application channels of first-time overseas workers are displayed in Figure 2.

Figure 2 shows that in 2008, there were 93,782 Thais applying to work overseas for the first time; 57,851 or 62 percent went to recruitment agencies, while 13,535 or 14 percent arranged to work overseas by themselves. Meanwhile, 11,539 or 12 percent were sent by their employers, 5,553 (6%) used the services provided by the DOE, and 5,304 (6%) were sent by their employers with the purpose of being trained.

According to the aforementioned data, more than a hundred thousand workers sought jobs overseas annually *ad hoc* after the financial crisis. However, it should be noted that in 2008, Thailand’s population was 63,389,730, therefore the number of Thai workers emigrating to work overseas only accounted for 0.26 percent of the total population. It is still somewhat surprising that there are such numbers of people emigrating. Many would have thought that Thailand has reached the turning point of return migration since its economy has grown considerably over the past decades.

It is somewhat interesting to see that only 6 percent of the total number of overseas workers used the services provided by the DOE. The services provided by the DOE are more time-consuming, but it is less costly than recruitment agencies. Also, a large proportion of Thais were re-entering to work abroad. This could suggest that those workers had found the working condition, working environment, or return favorable.

Additionally, it should be noted that the recent world financial crisis that broke out in 2008 had several impacts on Asian and Pacific economies and their labor situation. Though the impacts were minimal compared with the 1997 financial crisis, the figures are likely to be affected to a certain extent.
Statistics show that Asia and the Middle East ranked as the top two destinations for Thai emigrants in 2008. However, the number of Thai overseas workers in Asia became higher than those working in the Middle East. This was due to the fact that the countries in the Asian region, i.e., Taiwan, South Korea, Hong Kong, and Singapore are newly industrialized countries (NICs). These countries have been developing rapidly over the past decades, especially in the industrial and construction sectors, providing job opportunities for Thai laborers.
Figure 4 shows the number of Thai overseas workers in 2008 classified by receiving countries. Taiwan received 45,088 Thai workers accounting for 28 percent of the Thai overseas labor market. Singapore received 14,934 workers or 9 percent; Japan, 5 percent; Israel, 4 percent; and Malaysia, 2 percent. Fifty-two percent went to other countries.

Figure 5 shows the number of Thai overseas workers in 2008 classified by types of jobs. The four largest types of jobs which employed the most Thai overseas workers were skilled, unskilled, and the industrial and service sectors. These four types accounted for 87.8 percent of the total labor market. In 2008, there were 59,689 skilled workers out of 161,852 or 36.88 percent; 31,176 unskilled workers or 22.97 percent; and 31,634 industrial workers or 19.54 percent. The service sector employed 13,662 Thai workers overseas or 8.44 percent of the total.

Figure 6 shows the number of registered applicants who applied to work overseas in 2008 classified by levels of education. We found that 41 percent of Thai overseas workers were equipped with high school qualifications, 40 percent with primary education, and 11 percent with vocational education. Only 8 percent were equipped with undergraduate qualifications.

Factors influencing emigration
Various studies have pointed out that migration has followed the “push” and “pull” hypothesis. Everett S. Lee (1996) described “push” factors as negative factors or conditions that drive people to leave their homes, and “pull” factors as positive factors attracting a person to move. Martin (2007) suggested that the reasons for

Figure 4. Number of Thai overseas workers in 2008 classified by receiving countries

Source: Ministry of Labor (2008)
a person to migrate could be divided into two categories: economic and non-economic. Factors encouraging a person to migrate can be divided into three main categories; demand pull, supply push, and networks. Indeed, Thai labor, to a certain extent, has followed this model. However, the actual reasons are more complex. In reality, there are also individual factors, conditions in the destination countries, and barriers between origin and destination involved.
Empirical evidence\(^4\) has shown that poverty is one of the most important factors pushing people to migrate for work abroad. For many poor rural households, access to land is very limited. With low level of wealth, their access to new farming technologies, inputs, and extension services are also limited. As a result, productivity remains low, making it difficult for them to escape poverty. Hence, they migrate to find better work opportunities elsewhere.

Indeed, one of the solutions to escape poverty and to improve the future prospect of the household is to migrate for work abroad. A comparative study between households with at least one emigrating member and households without an emigrating member for the past 10 years has shown that households with at least one emigrating member have higher income, predominantly from remittance. Nevertheless, results also showed that households with at least one emigrating member tend to have fewer assets and higher debts (including over-the-counter lending) than households without an emigrating member. It is interesting that higher income do not translate to higher assets. Case studies suggested several plausible reasons: 1) It has been found that generally, it is the poorer households that send workers to migrate abroad. With the skills they have, they can earn a higher income from working abroad than from working in Thailand. However, because they came from poorer households, many had to take loans to pay for the costs of going to work abroad. As a result, a large part of their incomes had to be spent on debt repayment. 2) In some cases, even when emigrant workers sent back enough money, it was not used to pay for debt repayments due to lack of discipline from other family members. 3) Lack of entrepreneurship skills meant that the money earned while working abroad were not saved or invested wisely.

Proportions of spending on luxurious goods and current consumption have increased over the years. Various trends in expenditure can be explained by materialistic culture. Materialism has been spreading and even influencing lifestyles of those residing upcountry. Marketing gimmicks and advertising campaigns have caused people to struggle and spend in order to keep pace with such dynamic changes, while risking their long-run welfare.

However, economic factors alone cannot explain all of the migration flows. A lot of the decisions rely on “personal reasons”. Findings from our study have pointed out that factors related to household heads such as gender, marital status, education level, and household size have significant impacts on decisions and welfares.

\(^4\) Socioeconomic survey
**Impacts of emigration**

Migration has a socioeconomic impact on both migrants and their families (Laodumrongchai et al. 2001). The following sections address the economic and social impacts of emigrant workers.

**Economic impact**

Remittance

The desire for higher income is one of the important pull factors. With unemployment rates climbing in countries throughout the world, numerous people from poorer countries migrate to richer countries to find better or higher-paid jobs. These workers send money back to their families in poorer countries. This adds to household consumption and boosts gross domestic product (GDP). This money is called remittances. Though Thailand’s share of the global remittance market has been small, it is still a significant source of income for numerous households. According to the Human Development Report (HDR) of the United Nations Development Programme (UNDP) in 2009, remittance inflows were equivalent to 0.7 percent of Thailand’s GDP.

Remittances also accounted for 1 percent of the export receipts of Thailand. It is surprising that the value of remittances was more than the exporting value of communication devices, which was around 3,616 million baht per month in 2009. The value of remittances was close to the exporting value of transformers, which was approximately 47,501 million baht per month during that year.

**Figure 7. Number of Thai overseas workers and the amount of remittances sent back**

Source: Bank of Thailand (2009)

Remittances can be an important source of external financing. In the Philippines, remittances account for an even higher percentage of GDP at 10 percent (World Bank 2009, Determinants of overseas labor migration and of remittances in the Philippines):

In the past decade, remittance income transfers became the largest source of external funding for the country surpassing that of either Official Development Assistance (ODA) or foreign direct investments. With a declining ODA and highly volatile foreign development investment (FDI), remittances sustained its principal role as a source of external development finance in the country.

Social impacts
The social impacts of migration can be categorized into two parts.

Insufficient mechanism to protect overseas workers
At times, migrants are victims of human trafficking. This term is not restricted to children and women; men can also suffer from human trafficking. Problems of human trafficking arise because migrant workers lack knowledge and are unaware about the law, regulations, and their rights. Recently, there was a case of labor trafficking of Thai labor known as the 2009 Blueberry Fiasco in Sweden. The case involved the abuse of several Thai farmers from rural villages in the north and northeast of Thailand, who had travelled to Sweden with tourist visas to pick wild blueberries.

Often, Thai workers overseas receive wages lower than the minimum wage rate and endure long working hours under severe working conditions. It has been found that at various times, workers used visiting visas instead of working visas in an attempt to cut down the cost. Therefore it has been difficult for governments to regulate emigration and take measures against human trafficking.

Reintegration
Social problems must not be overlooked. Migrants may find it hard to cope with changes in the environment. However, the impact depends on the individual migrant, particularly how well he or she can adapt to these changes. Various problems such as gambling, infidelity, and drugs are not uncommon among returning migrants.

MANAGING EMIGRATION IN THAILAND

Government agencies
The Ministry of Labor is the main governing body and consists of the following departments:
• Department of Employment
• Department of Skill Development
• Department of Labor Protection and Welfare
• Office of Social Security

Under the DOE, the main office tasked to take charge of Thai overseas workers is the TOEA. TOEA was set up to link the public and private sectors during the process of recruiting and sending workers abroad. The office consists of staff members from the DOE, National Police Bureau, and the Ministry of Foreign Affairs. TOEA helps facilitate job applications of Thai overseas workers, thereby reducing the costs associated with middlemen or recruitment agencies.

Thai workers, recruitment agencies, and foreign employers can tap the TOEA in the following ways:

• use of the Overseas Job-Seekers Registration Center which is a labor bank for overseas employers and recruitment agencies that can be used to select workers. Job-seekers from all over the country who want to work overseas must register themselves at this center to have access to job postings;
• issuance of passports by the Ministry of Foreign Affairs;
• grant of permission to proceed with the process of overseas placement by private recruitment agencies;
• application for the Aid Fund for Overseas Workers;
• grant of permission to set up an overseas recruitment agency;
• investigation of criminal records of Thai workers in cooperation with the National Police Bureau;
• use of the Predeparture Training Center; and
• provision of the overseas public employment service, free of charge.

Furthermore, there are 13 labor affairs offices in 11 countries to assist Thai overseas workers:

1. Riyadh, Saudi Arabia 8. Singapore
3. Israel 10. Brunei
4. Japan 11. South Korea
5. Hong Kong 12. Germany
6. Taipei, Taiwan 13. Geneva, Switzerland
7. Kaohsiung, Taiwan

The main responsibility of these overseas offices is to protect workers’ rights. Furthermore, these offices have to:

• provide basic knowledge about the countries, such as labor laws, tax filing, cultures, etc.;
analyze the labor market situation and trends of a certain region;  
meet with both employers and Thai workers to improve their relationships and solve problems between the two parties; and  
look for labor expansion opportunities.

Since government offices are limited in manpower, many Thai workers in countries such as Hong Kong established volunteer project system to help government and Thai workers.

National policies toward emigration

Remittances from overseas workers amount to approximately 50,000 million baht annually. Prior to the 5th National Economic and Social Development Plan in 1982, there was no policy to assist the transfer of labor. Thereafter, promoting overseas labor became one of the national strategies. The 10th National Economic and Social Development Plan focused on the freedom of migration amid an increasingly globalized world.

The Ministry of Labor has established TOEA, a one-stop service office, to help overseas job-seekers in both employment and financial issues. Thai overseas workers became one of the 10 targeted groups for further development under the master plan of the Ministry of Labor during the period 2007–2010. Various measures have been established to assist Thai overseas workers. International policies have been directed to promote new overseas labor market channels. The following is the list of emigration-related laws and national policies:

- **Constitution of the Kingdom of Thailand B.E. 2550 (A.D. 2007)**
  The Constitution states that “everyone has equal rights and freedom.” Therefore, this applies to the processes of job applications.

- **Employment and Job-Seeker Protection Act B.E. 2528 (A.D. 1985)**
  Provisions concerning overseas employment and its management are mentioned in Chapter 3 and Chapter 4 of the act. These provisions include procedures for sending Thais to work abroad and the “Fund for Job-Seekers Working Abroad”.

Forms of sending Thai workers to work abroad

Hiring by recruitment agencies

The act protects employees from deception by recruitment agencies. A person who wants to register as a recruitment agency will be carefully screened by government officials. Recruitment agencies must pay 5 million baht to the government as a

6 http://www.ipd-doe.com/content/WebboardAnswer.asp?GID=13640 (accessed on September 20, 2011)
guarantee in case they do not follow the agreement. An agency can immediately make job announcements once it has a license.

With the increase in the number of illegal recruitment agencies, the DOE advises prospective employees to be cautious. The TOEA recommends that prospective employees:

- recheck the name of the recruitment agency with the DOE;
- inquire to see the original permit license;
- pay overhead cost via money transfer; and
- immediately contact the DOE if the agency does not call back for one month.

According to the act, a recruitment agency shall act as follows:

- submit the employment contract which is concluded by and between recruitment agency and a job-seeker, and conditions of employment which are concluded by and between the overseas employer or his authorized agents and a job-seeker as well as JorNgor 32—a contract between the recruitment agency and workers that comprises information on the recruitment agency, workers, and employers in destination countries as well as the conditions of the employment—to the Director-General for consideration;
- ask the job-seeker to undergo medical examination;
- send the job-seeker for skill testing with the Department of Skill Development;
- send a selected job-seeker who had passed skill testing to get training on laws, customs, and traditions of the receiving country, and working condition from the DOE;
- submit a list specifying name and workplace of job-seeker, together with the employment contract to the DOE within seven days from the departure date of job-seeker;
- notify, in writing and together with a list specifying the names and workplaces of job-seekers, the Thai Labor Office in the receiving country within 15 days from the arrival date of the job-seeker/s. In case there is no Thai Labor Office in such country, the notification shall be made within the aforementioned period to the Royal Thai Embassy or the Royal Thai Consulate or other persons tasked with taking care of Thais; and
- report monthly to the DOE within the 10th day of the following month in case a job-seeker fails to go to work abroad under the employment contract.

Self-arrangement

“Self-arrangement” employees have to contact their employers in the receiving countries directly. Employees have to report their status before leaving Thailand, after arriving at the destination, and during their vacation in Thailand to the TOEA. Self-arrangement can be categorized into two types: first-time emigration and re-entry. For first-time emigration, they must report to the Office of Labor Affairs at either the Royal Thai Embassy or the Royal Thai Consulate after arriving at the receiving countries.

Hiring through the Department of Employment

This is the safest and cheapest way to apply for work overseas, although the process may be time consuming. There is no service fee from DOE; employees are however responsible for their expenses such as airplane ticket, visa fee, physical check-up, etc. After government officers have finished with the documents and background check, the prospective employees can file for their working visa. Training will be provided by the DOE before they leave Thailand.

The Ministry of Labor has designated the DOE as the main organization in sending Thai workers abroad. This is due to the fact that foreign employers are not permitted to recruit for employees directly unless they have contacted recruitment or government agencies.

The TOEA was assigned by the DOE as a representative for foreign employers. TOEA is responsible for recruiting employees and sending them to foreign employers. In addition, TOEA helps with travel documents for employees, without fees. The process of sending Thai workers to work abroad can be divided into five steps, as follows:

**Step 1: Employers prepare documents**

1.1 Overseas employers must prepare the following documents:

- letter of power of attorney to certify that they have assigned DOE as their representative in sending employees;
- requisition letter or demand letter which states the type of work, nature of work, number of workers, qualification, and working conditions. In addition, the document must state wages, working hours, duration of hiring, and benefits and welfare;
- copy of corporate registration;
- employment contract that specifies the condition of work; and
- documents issued by governments of employers’ countries that permit the employer to employ foreign workers, and allow foreign workers to work in their countries.
1.2 Employers must submit the aforementioned documents to the office of TOEA or the Royal Thai Embassy or Consulate in their respective countries for checking.

**Step 2: Employer submits the request form to the DOE**
- Employers submit the documents as mentioned in 1.1 to the DOE. The documents may be sent directly to the DOE or the Royal Thai Embassy or Consulate.

**Step 3: The application**
- Workers are selected from E-Job centers or general announcements.
- Related documents of workers are checked.
- Workers’ qualifications are checked (five minutes per person).

**Step 4: Recruitment**
- DOE recruits workers. In this step, the DOE may work with foreign employers.

**Step 5: Report for duty**
- Workers who have passed the recruitment process must report and submit their documents to TOEA. The process takes one to two days.
- Medical examination
- Criminal Records Check (CRC). To be coordinated with the Criminal Investigation Division (CID), this process may take 10–15 days.
- Workers will receive the document submitted for visa. It takes between one and two days.
- TOEA will reserve airline tickets for employees. TOEA may coordinate with employers so the latter can pick up the employees. The process takes three to five days.
- Employees must apply for the Fund for Helping Thai Workers that provides insurance if an emergency occurs. The process takes one day.
- Employees must attend the one-day training program provided by TOEA.
- TOEA sends employees to work abroad.

*Procedures to be followed by Thai employers in sending Thai workers abroad*

Employers sending employees directly to work aboard
Employers who wish to expatriate their employees to work abroad must file the following documents: letter from the overseas company, work contract, and name list to the DOE. After the documents are approved, the employer must bring their employees to the training program provided by the DOE.
Employers sending their employees abroad for training purposes

The process is similar to that of an employer who sends employees abroad to work. There are two categories: (1) more than 45 days, and (2) less than 45 days. The processes have to be approved by the DOE.

There are various reasons for emigrating. Data from TOEA show that the proportion of Thai workers going abroad for training or skill development is only around five percent of Thai migrant workers (TOEA 2009). Workers sent abroad for the purpose of skill development have to work for their employers when their training programs finish. Employers are required to inform the Director-General of the DOE within 15 days after their employees return to work. There are two main categories:

- Employers sending their employees to train abroad for less than 45 days. These employers are required to inform the Director-General of the DOE or a representative before sending their employees abroad.
- Employers sending their employees to train abroad for more than 45 days. These employers are required to ask permission from the Director-General of the DOE or a representative.

Employers must have the necessary documents, namely, contracts between employers and the training providers in the destination countries, and letter of confirmation that permits workers to be trained in the destination countries. The duration of the training program must not be longer than one year. Employees are required to attend an orientation and pass the process of the Inspection and Job-Seekers Protection Division. Because workers have been sent for training purposes, employers must pay their employees’ salaries at the rates they would have obtained for work in Thailand. Allowance and welfare benefits must be provided for employees at the rates set by DOE:

- for employees attending training programs in Europe, North America, and Australia, the allowance benefit and welfare must be no less than 20,000 baht per month;
- for training in Japan, Taiwan, Korea, Israel, and Hong Kong, no less than 12,500 baht per month;
- for training in Singapore, Brunei, Malaysia, Saudi Arabia, Bahrain, United Arab Emirates, Oman, Qatar, Kuwait, and Libya, no less than 8,000 baht per month;
- the allowance benefit and welfare for employees attending training programs abroad must be no less than 6,000 baht per month; and
- during the training program, travel expenses, food, accommodation, and medication fees must be paid for by employers.
The Fund for Job-Seekers Working Abroad is mentioned in Chapter 4 of the Employment and Job-Seeker Protection Act, B.E. 2528 (A.D. 1985). It aims to assist current and prospective Thai overseas workers. The fund consists of money and other properties as follows:

- government subsidy;
- money remitted to the fund by the recruitment agencies, employers, or job-seekers under the act;
- interest of the fund;
- money or other properties donated by others; and
- security devolved to the fund under Section 34.

The fund will support the following:

- arranging for job-seekers abandoned abroad to return to Thailand;
- assisting job-seekers working or are going to work abroad or their statutory heirs; and
- selecting and organizing skill testing and predeparture training, in accordance with regulations determined by the minister.

**Bilateral agreements and regional policies**

Bilateral agreements are likely to be of mutual benefit to both labor-receiving and labor-sending countries. Labor-receiving countries are likely to benefit from bilateral agreements by addressing the workforce needs of employers and industrial sectors; promoting cooperation in the management of migration, both regular and irregular; and promoting cultural and political ties and exchanges. For labor-sending countries, bilateral agreements could ensure continual access to the labor market of receiving countries, therefore easing unemployment pressures, promoting the protection and welfare of workers, and obtaining foreign exchange through worker remittances (Go 2011).

**Government to government (G to G)**

With the ongoing process of globalization and increasing economic integration, the factors of production, including labor, have been increasingly mobile. Thus it would be mutually beneficial for countries to engage in labor cooperation to avoid human trafficking and to improve the regulation of migration flows. Such agreements would be beneficial to workers by providing more

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8 “The Fund for Job-Seekers Working Abroad was established to help Thai overseas workers who face problems in their receiving countries to return to Thailand. The fund is also used for organizing skill training course and predeparture orientation. The fund is contributed by employers or recruitment agencies. In addition, the fund has a credit facility to enable job-seekers to borrow money to work abroad” (IOM 2003).
job opportunities and better regulations; therefore generally better working conditions. The Thai government has signed bilateral agreements for labor cooperation with several countries:

Israel
The DOE of Thailand signed a memorandum of understanding (MoU) with Israel via the International Organization for Migration (IOM) for labor migration in agriculture sector in September 2007.

Data for the year 2007 showed that there were 33,517 Thais working in the agriculture sector in Israel, or 21 percent of all foreign workers. (There were 21,765 workers out of 33,517 or about 65% who used recruitment agencies as their channels, while 11,752 or 35% were self-arranged.)

Under this MoU, the Thai Labor Ministry is responsible for recruiting and keeping records of migrants while the IOM oversees the whole process. It is guaranteed that laborers will not pay fees higher than that required by law. The agreements stipulate that a Thai citizen who wishes to work in Israel will be required to pay a maximum of USD 1,800 for flights and USD 600 for expenses including work permit, medical examinations, and vaccinations. No other fees and services will be charged from the DOE. Currently, Thai migrants pay approximately USD 8,000, which is divided between agents abroad and in Israel. The MoU does not prohibit workers from using recruitment agencies; the MoU only offers an alternative channel for workers.

Japan
The first version of the MoU was officially signed by the DOE of Thailand and the Association for International Manpower Development of Medium and Small Enterprises (IMM) in July 2003. The revised version was signed in 2008. IMM was founded to establish international cooperation and transfer technology and human resources among small and medium enterprises. Based on a report from IMM on July 31, 2003, there were 1,292 Thai trainees working in 377 Japanese companies in 32 provinces. Applicants sought are males aged 20–25. The programs are open only for the following areas: welder, mechanic, electrical power technician, electronic technician, and mason.

The first round of the selection process involves four tests: (1) abilities test—a paper exam that measures basic knowledge, intelligence, and aptitude of each candidate; (2) physical test—measures the physical conditions of the candidates; candidates are required to run three kilometers within 15 minutes and do 35 sit-ups and 25 push-ups; (3) interview—which takes place after the candidates pass the first two tests; it screens for candidates with enthusiasm and some knowledge of Japan, and figures out the candidates’ objectives for
participating in the program and their plans after returning to Thailand; and (4) final test—candidates provide verification to prove their capability to go through the training and their eligibility to take part in the programs. Candidates must pass all four tests to become trainees.

Four months of training will be provided by the Thai government before the candidates are sent to Japan. There will be 560 hours of training on the Japanese language and 150 hours of training on the Japanese lifestyle, working style, and culture. Additionally, there will be 50 hours of physical education. After completion of training in Thailand, trainees will spend another four weeks of training in tools and equipment in Japan. Trainees who fail the test will be sent back to Thailand.

The trainings will take place during the first, second, and third years. Practical training will be conducted in the first year. During the second and third years the Technical Intern Training Program (TITP) will be conducted. Trainees will receive ¥80,000 as their monthly salary in the first year. The IMM and the private sector will provide accommodations and insurance. Trainees will receive at least the minimum wage during their second and third years as technical trainees. However, they will be responsible for the costs of their accommodation and transportation while the IMM and the private sector will continue to cover their insurance. At the end of the third year, trainees will receive certifications and support funding worth ¥600,000. However, trainees have to bear partial expense of the program: approximately 4,500 baht for the passport, physical check-up, visa fee, Japanese dictionary, etc.

South Korea
The Ministry of Labor of Thailand and South Korea have an MoU regarding the transfer of labor. The purpose of this MoU is to establish frameworks for the provision of labor transfer under the Employment Permission System (EPS) for foreign workers. Under this MoU, the DOE of Thailand is responsible for selecting candidates to be sent to South Korea while the Human Resources Development Services (HRD) handles the task on the Korea side.

The government of both countries will act as an agency. EPS Thailand will send the name list of qualified candidates who met the basic requirements and passed the Korean language test to HRD Korea. The DOE will not guarantee that all qualified applicants will get a job offer; job offers depend on employers in South Korea. The Korean government will send the names of selected employees to the DOE for them to be trained. The DOE will send the Certificate Confirmation of Visa Insurance (CCVI)—a vital document for the visa application of prospective employees. After arriving in South Korea, the Korea International Labor Foundation (KOILAF) will provide three days of training covering important
issues such as law and culture. Migrants will be responsible for their expenses prior to departure: visa fee, EPS Korean language test, Language and Culture Training, airplane tickets, etc.

Under this MoU, contracts will allow Thai workers to work for one year. A contract can be renewed but must not exceed three years. Minimum wage will be guaranteed at 700,600 won. Foreign laborers will be protected under the same labor laws as the locals.

Malaysia
Thailand signed an MoU on Thai labor with Malaysia in 2003, aiming to offer greater protection for Thai workers working in Malaysia, and to ensure the continual supply of quality labor to the Malaysian private sector. The agreement acts as a framework for Thai labor in Malaysia, setting the minimum level of qualifications that workers need to have, requiring employment contracts, and outlining the responsibilities of employers, employees, and employment firms. Additionally, the agreements aim to reduce the fees that Thai workers pay to recruiting agencies.

UAE
The government of Thailand and the UAE government signed an MoU in the field of manpower in November 2007. The purpose of this MoU is to cooperate in labor protection, welfare, and rights. Three languages—Thai, English, and Arabic—are obligatory in the working contract. All conditions are defined in detail to avoid any misapprehension.

Taiwan
Taiwan has bilateral labor agreements with Thailand and Viet Nam for the hiring of Thai and Vietnamese workers.

Private to private
Recruitment agencies are used by the largest number of Thai workers working overseas. Despite the fact that Thailand has signed MoUs with various countries, the number of overseas workers using DOE services are still lower than that of other channels. The government has therefore shifted its policies toward encouraging private agencies to participate in labor transfer, while government agencies would only act as regulators and facilitators.

Recruitment agencies must register and get a license from the DOE. Upon request by employers from overseas, agencies are required to bring their candidates to the skills tests at the Department of Skills Development. Those who pass the tests will be allowed to do physical check-ups at public hospitals listed by
the DOE. Predeparture orientation by the DOE will be provided for prospective employees with no charge. Prospective employees must be accommodated by their agencies while attending the custom process at the port exit.

Excluding the recruitment agency and the DOE services, there are three other channels: private to private, self-arrangement, and the direct deployment by employers of laborers for work or training. These channels are less distrustful since there is no middle man in the process.

**Limitation of managing emigration in Thailand**

**Government policies**
The act mentioned in the previous section specifies the process of obtaining a license for, and establishing, legal recruitment agencies. Parties who violate the law will receive penalties. The aim of this act is to protect workers who wish to work overseas and to regulate recruitment agencies. The limitation of this act is that it cannot protect workers after their arrival in the destination countries. Other policies include the following:

- **Labor Protection Act B.E. 2551 (2008)**
  Workers sent by their employers to either work or train will be protected under this act.

- **Skill Development Promotion Act B.E. 2545 (2002)**
  Prospective employees required to take skills tests must take them at the Institution of Skills Development. This act aims to encourage skills development to enhance skills and capabilities.

- **Protection of Thai workers abroad under MoUs**
  Under the MoUs, the governments will monitor exploitation and labor trafficking. These MoUs will protect emigrant workers in the following ways:
  
  i. Work contract has to be defined in at least two languages (Thai, and the receiving country’s language and/or English). Name of employer, workplace, and business type and job description will be indicated in the contract. It will guarantee the employee’s position and prevent the employer from receiving unqualified employees. It also prohibits employees to work across industries or businesses until they have been cleared by the present and new employers.

  ii. Duration of work is agreed under an MoU. This can protect the employee from exploitation. For example, the duration set by the IMM is three years; for the EPS, one year extendable up to three years; for Israel, work should be no more than five years. The MoU can guarantee that a worker will receive no less than minimum wage.
For example, the EPS will guarantee minimum wage of at least 700,600 won.

Limitations of sending processes

1) G to G
Many countries welcome foreign laborers since they can be considerably cheaper than local labor. Cheap labor can give countries a competitive edge to compete globally; governments permit and encourage business to employ foreign laborers. Under G-to-G schemes, governments of two countries will act as middle men, from the process of recruiting workers to the process of sending workers to the destination countries. Compared with other processes, this process takes longer but the expenses are considerably lower. However, lower cost could also mean that workers have a lower commitment to jobs and are likely to quit easily when they encounter work or nonwork-related problems.

While working abroad, workers are likely to experience various types of problems such as the nature of the job, different corporate culture, and heavy workload. The workload can be different from their expectations before leaving Thailand. Workers are also likely to encounter nonwork-related problems such as severe weather, cultural shocks, etc. Language is one of the main problems for Thai overseas workers. Despite the fact that the government has provided prospective employees with some language training, workers may still face problems with language barriers when it comes to the practical usage.

2) Private to private
Private to private channels could be precarious for workers since the rights of the workers while working abroad are not guaranteed. Exploitation is common—agencies asking for higher fees than that required by law, laborers being mistreated, etc. Deportation and instances of breach of the contract are not uncommon.

Profit maximization is clearly the aim of both employers and recruitment agencies. Hence it is their objective to minimize costs. Various strategies have been used to lower costs, for instance, the practice of workers applying for visiting visas rather than working visas. Moreover, recruitment agencies and employers can deduct from workers’ incomes expenses for food and accommodations as well as service fees. Workers could face inferior working conditions and have insufficient training, etc.
CONCLUSION AND RECOMMENDATIONS

The recent economic downturn has led many Thai citizens to look for jobs overseas. However, it was felt by the majority that Thailand still lacks adequate and effective measures to protect Thai emigrants from exploitation overseas. Indeed, Thai labor law has not always been regarded as the most effective; we have various issues regarding human rights, compliance, and even corruption of those enforcing the labor law. For Thai overseas workers, mistreatment, neglect, and financial exploitation are common. Recruitment agencies are undeniably responsible for most of the cases.

The majority of Thai overseas workers have relatively low levels of education, typically primary and lower secondary education. The Department of Skill Development, DOE, and recruitment agencies could cooperate to equip workers with the skills demanded by foreign employers. They could cooperate to prepare workers with necessary skills and understanding of the language, culture, and lifestyle of destination countries, as well as the terms and agreements regarding their work contracts.

Studies show that the reason workers from rural parts of Thailand have migrated to work overseas was to escape poverty and indebtedness (push factor) so that they could gain higher income and have better lives in destination countries (pull factor). Generally, emigrant workers came from households with low income and wealth; therefore they are heavily indebted. They have to use almost all of their savings from working abroad to pay back their debt and fees charged by recruitment agencies. As a result, the prospects of households with emigrating members are not that much better off than households without any emigrating members.

The DOE has taken some measures against these recruitment agencies. Recruitment agencies have to officially register and be verified by the government before they are granted licenses permitting them to make job announcements. At present, there are over 250 registered recruitment agencies. However, this measure alone is not enough to solve the problem. Perhaps, enforcing the law fairly and strictly would help to alleviate it.

Recommendations

TOEA and labor attachés can perform random inspections of recruitment agencies both in Thailand and in destination countries. This would certainly help in assessing the standards of the services provided by recruitment agencies. Labor attachés could observe if any of the agreements have been broken and whether overseas workers have been neglected by their agencies. Labor attachés could be of assistance to ensure that those agencies have properly assisted Thai workers during their stay overseas.
Countries importing and exporting labor could cooperate to reduce the cost of fees and the number of procedures required to transfer workers between countries. Maximum level of fees required should be clearly stated to avoid confusion and financial exploitation by agencies.

Workers with overseas experience could be of assistance to the DOE by sharing their experiences with prospective overseas workers and giving them advice.

The Department of Skill Development could assist recruitment agencies in the provision of training programs to equip workers with skills that are in demand. Thailand could adopt a voluntary system of skill standards, assessment, and certification to enhance the capability of the Thai workforce.

Countries could cooperate to set the competency standards and the level of skills that are universally accepted by labor-importing countries. This would increase the ability of the workforce as well as wages.

The Association of Southeast Asian Nations (ASEAN), ASEAN+3, and other labor-importing countries should cooperate to increase the efficiency of the procedures for provision of working visas, working permits, and necessary documents especially for skilled labors. This would help increase the flexibility of the labor force.

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