

LABOR CROSSINGS IN SOUTHEAST ASIA: LINKING HISTORICAL AND CONTEMPORARY LABOR MIGRATION

AMARJIT KAUR¹
University of New England

Introduction

Southeast Asia was, and continues to be, a major destination of mass long-distance labor migrations. In the late nineteenth and early twentieth centuries labor migration from China and India to the region was a defining feature of Asian globalization. Asian migration also approximated European transatlantic migration; it was consistent with the development of export production and industrialization in Europe and impacted on Southeast Asian economies and societies. Migration was largely unrestricted and led to settlement by immigrant communities and the creation of plural societies in colonial territories. Since the 1980s Southeast Asia has re-emerged as a major player in global migration movements and the scale, diversity and significance of migration flows has grown exponentially. The people who now cross international borders move mainly for economic reasons, or are forced to move for a variety of reasons, including displacement by wars. In the main Southeast Asian destination countries—Singapore, Malaysia and Thailand—foreign workers comprise between 15-30 percent of the labor force and their share is rising. Contemporary flows also comprise illegal movements and Southeast Asian states are striving to control their frontiers through evolving border strategies.

Demographic and economic factors including declining fertility rates, a growing shortage of workers to fill jobs requiring high and low skills and a drive to remain competitive have led to selective immigration frameworks for different economic sectors. Migration goals of destination countries have also changed and coincide with national policies that underline the race, geographical origins, gender, skills and educational qualifications of migrants. Importantly, the previous form of settlement migration has been

¹ Amarjit Kaur (akaur@une.edu.au) is Professor of Economic History at the University of New England (UNE) in Armidale, Australia.

replaced by rotating, temporary contract labor systems. The new migration dynamics are supported by a web of social networks and a migration industry comprising officially sanctioned recruitment agencies and entrepreneurs providing all sorts of services to migrant workers in exchange for fees.

This paper first explores labor migration to Southeast Asia in historical perspective and reviews Asian contract labor systems and border control regimes prior to 1940. Second, it outlines the widening economic, social and demographic disparities between Southeast Asian countries since the 1980s and examines recent migration streams, recruitment patterns and state immigration policies. Third, the paper focuses on Malaya/Malaysia as a case study to draw out the links between historical and contemporary labor crossings.

Political and Economic Change in Southeast Asia since 1850

Western imperialism in Southeast Asia in the second half of the nineteenth century resulted in the redrawing of the political map of the region and its greater integration into the international economy. The new geographical frame comprised six major states—Burma, Malaya, Indochina, Indonesia, the Philippines and Thailand—and these were transformed into colonies, protectorates, or part of the informal empire of European powers. The creation of these states represented new departures within the region. They possessed a ‘permanency’ that indigenous states had lacked and had a new style of administration and institutional structures to oversee the various aspects of government.² Although colonial powers established ‘political’ boundaries to demarcate their respective territories, borders were kept open. This was principally because populations were generally sparse and colonial administrations encouraged immigration to promote the development of their territories. Migration, the particular immigration methods associated with labor regimes, and the development of tropical products were also key components linking these states with the rest of Asia, Britain, Europe and North America, and imparting lasting legacies to independent governments in the region.³

European political hegemony in their Southeast Asian colonies was consistent with their transformation into producers/exporters of raw materials (tin, rubber, petroleum) and consumables such as sugar, coffee and rice, to

² R. E. Elson, ‘International Commerce, the State and Society: Economic and Social Change’ in Nicholas Tarling, ed., *The Cambridge History of Southeast Asia*, Cambridge: Cambridge University Press, 1992, II, pp. 131-95.

³ Amarjit Kaur, *Wage Labor in Southeast Asia since 1840: Globalisation, the International Division of Labor and Labor Transformations*, Basingstoke: Palgrave Macmillan, 2004.

industrializing countries. In turn, the colonies imported manufactured goods from Europe. They thus followed the classic colonial pattern of exporting a few primary commodities and importing consumption and capital goods mainly from the colonial power and other industrial countries. The colonial authorities established modern bureaucratic structures and new administrative and legal frameworks to facilitate their adaptation to the new world order. Colonialism thus provides an important framework in conceptualizing the considerable flows of trade, capital and movements of people from China and India to specific states.

A useful starting point for understanding economic change and labor migration associated with export production in Southeast Asia is to examine the region's demographic structure and to identify some of the most important production niches that led to labor immigration. Broadly, Southeast Asia had a markedly low population growth relative to the expanse of its cultivable area.⁴ Around 1870, population was estimated at about 55 million and rose to about 69 million in 1900. Moreover, it is estimated that the region had an average annual growth rate of approximately 1.3 percent between 1870 and 1930. With the exception of Java and Tonkin, populations were sparse, and labor, rather than land, was the principal source of value in Southeast Asian states. The population was also distributed very unevenly and population densities were relatively low.⁵

From a comparative perspective, therefore, the broad division of the region into 'labor-scarce' and 'labor-surplus' countries had important implications for migrant labor flows. There were two extremes to this polarity—Malaya and Java. In sparsely populated Malaya, landlessness and rural deprivation among the Malays was practically non-existent and they largely shunned wage work during the colonial period. In comparison, Java had a huge, poor population and non-farm employment was crucial for survival strategies. Javanese workers shifted or moved around during the colonial period to eke out a living. Thus Java has been a labor exporter since colonial times and Malaya/Malaysia a labor importer. Using this framework, the other Southeast Asian countries fit somewhere in a continuum between the two.

After 1870 the great expansion in plantation production took place in the lightly settled areas of Malaya, Sumatra and Cochin-china. Concurrently, rice expansion occurred in the frontier areas of Burma, Thailand and Cochin-china. By 1920 the region was mainly exporting agricultural staples such as rice and rubber and there was also growth in the non-agricultural sector in

⁴ A. J. Reid, 'Low Population Growth and Its Causes in Pre-Colonial Southeast Asia' in Norman G. Owen, ed., *Death and Disease in Southeast Asia: Explorations in Social, Medical and Demographic History*, Singapore: Oxford University Press/Asian Studies Association of Australia, 1987, pp. 33-47.

⁵ Kaur, *Wage Labor*, p. 35.

mineral production. The region's demographic structure, therefore, had important implications both for the location of colonial economic activity and the destination of migrant workers. Importantly, the concentration of migrant workers in specific sectors and countries, and their racial origin, must thus also be viewed through this lens.

Labor Crossings and Asian Contract Labor, 1870-1940: Trends, Patterns and State Policies

Late nineteenth-century transnational labor migration in Asia—the movement of wage workers across borders and the flow of capital in the form of remittances from the sites of work to the places of origin—laid the framework for migrant labor diasporas in the region. The fact that this migration owed its origins to the labor systems under which migrants travelled also allows it to be distinguished from other previous movements of people into the region. It involved mass migrations and long-distance movements, organization of travel arrangements and employment opportunities in the destination countries and an empire-wide sourcing of labor. It also involved various groups in the migration process, including private labor recruiters and intermediaries, who organized travel arrangements and employment, and the state machinery. Particular labor regimes that utilized sanctions to enforce wage labor agreements, or coercion through intermediaries, were also developed. But these had their limits, especially when demand for labor outstripped supply. By the second decade of the twentieth century, free migrants were the norm, as European entrepreneurs and the state instituted policies to ensure a continuous supply of labor.

Asian labor migration was largely dominated by Chinese and Indians prior to 1940. The majority of migrants from both countries were impoverished and were pushed into migration by factors such as agrarian overpopulation, natural calamities, landlord exploitation and, in China, disruption arising from major rebellions in the nineteenth century. Pull factors in Southeast Asia included the growing economic opportunities in the region, the opening up of hinterlands, and the expansion of mineral and agricultural export production. Unrestricted migration policies; the absence of border controls; improvements in transportation technology and falling transport costs facilitated this migration. The majority of the migrants were in no position to meet their travel and related costs, and these were either met by labor recruiters or future employers.

The recruitment of foreign migrant workers was consistent with a rather elastic use of labor. The workers had many characteristics in common. They were young, predominantly unskilled adult males who emigrated as

individuals and were mainly involved in the physical production of mineral and agricultural commodities, or in the construction and maintenance of transportation systems and public projects, and at the ports. After periods of employment, they usually, but not always, returned to their countries of origin.

The Chinese government did not support Chinese emigration and this opposition made it impossible to utilize open, regulated recruitment arrangements. It was not until 1893 that the Chinese government lifted its ban on Chinese emigration. Consequently, until the early twentieth century Chinese migration comprised two main networks, a kinship-based migration network and a credit-ticket system network. The kinship-based migration network involved recruiter-couriers who recruited migrants from their own villages/regions whilst the passage money and travel expenses were commonly guaranteed by relatives or friends from the migrants' hometown. The credit-ticket (steerage) system, which the bulk of the migrants relied on, involved the passage money and travel expenses being met by labor brokers, captains of junks or labor agencies. Upon arrival at their destinations, the migrants' employers paid the passage money owed by the migrants, and the migrants entered into verbal or written contracts for the repayment of their debt in the form of labor service. When they had repaid their debt, the workers were released from their obligation and were free to choose their employer and place of employment. Emigrants were commonly charged two to three times the amount paid by the recruiters.⁶

Estimates of Chinese migration outflows to selected Southeast Asian countries for the period 1851-1925 are shown in Table 1 below. As noted, Malaya and Indonesia received the largest number of Chinese migrant workers.

Table 1
Estimated Population Outflows from China to Selected Southeast Asian Countries,
1851-1925 (thousands)

Year	Malaya	Indonesia	Philippines
1851-75	350	250	45
1876-1900	360	320	20
1901-25	125	300	n.a.

Note: n.a. = not available.

Source: Adapted from Lynn Pan, 'Patterns of Migration' in Lynn Pan, gen. ed., *The Encyclopaedia of the Chinese Overseas*, Singapore: Archipelago Press for the Chinese Heritage Centre, 2000, p. 62.

⁶ Kaur, *Wage Labor*, chapters 2-4.

Indian labor migration to Burma and Malaya in the late nineteenth century was an important aspect of British colonialism in Southeast Asia. Compared to the Chinese, Indians formed an important minority only in these states where there was a demand for workers in the urban manufacturing sector (Burma) and the plantation sector (Malaya). Their importance declined after World War Two, both in absolute and comparative terms. There were fewer millionaires and traders among them compared to the Chinese immigrants and their emigration to these territories was largely regulated by the authorities. Moreover, the specific political and economic relationship between the Colonial Office in London, the Indian Government and these territories determined recruitment patterns and influenced employment relations and working conditions.⁷ After periods of employment they either returned to India, or settled permanently in these countries. The comparative flows of Indian immigrants to Burma and Malaya during the period 1910-35 are shown in Figure 1 below.

Indian emigrant flows to Burma greatly exceeded similar flows to Malaya. Between 1910 and 1935, Indian inflows to Burma and Malaya totalled 2,048,800 and 532,181 respectively.⁸ The larger number of Indians emigrating to Burma was principally due to Burma's greater proximity to India and the fact that it was governed as an adjunct of India.

According to estimates by Huff and Caggiano, between 1911 and 1929, Indian and Chinese gross migration into Burma, Malaya and Thailand was twice as high as gross migration into the United States.⁹ Overall, there was an integrated labor market extending from Southern India and Southeastern China to Southeast Asia, consistent with globalization and mass long-distance migrations.

⁷ Amarjit Kaur, 'Indian Labor, Labor Standards, and Workers' Health in Burma and Malaya, 1900-1940', *Modern Asian Studies*, 40, 2, March 2006, pp. 393-444.

⁸ K. S. Sandhu, *Indians in Malaya*, Cambridge: Cambridge University Press, 1969, p. 157, Table 4.

⁹ Gregg Huff and Giovanni Caggiano, 'Globalization, Immigration, and Lewisian Elastic Labour in Pre-World War II Southeast Asia', *The Journal of Economic History*, 67, 1 (2007): 33-68



Figure 1. Burma and Malaya: Comparative Flows of Indian Immigrants, 1910-35 (selected years).

Source: Adapted from K.S. Sandhu, *Indians in Malaya, Some Aspects of their Immigration and Settlement*, Cambridge: Cambridge University Press, 1969, p. 157.

The main mechanism for recruiting Chinese and Indian immigrant labor was the indenture contract, whereby employers used sanctions to enforce wage labor agreements. The workers were contracted to a single employer for between one and three years. The contract was usually a written one but verbal agreements were also common. Wage workers were thus often bound to their employers by enforceable labor agreements, which employers used where available to manage their labor costs and supply. Breaches of written contracts were regarded as criminal, not civil offences. At the end of the contract, the worker had to repay the travel and associated costs (or these were paid through deductions) before he was released from his contract. Since most workers were too poor (they earned very low wages), they were re-indentured for a further period. In both Chinese and Indian migration streams, there was a substantial minority of migrants who paid their own passage or relied on friends and relatives, and the Chinese clearly outnumbered the Indians in this regard. By the 1930s Chinese and Indian migrant workers represented the largest migrant communities in Southeast Asia. Their impact on the host societies varied, depending on their numerical strength and economic roles.

In contrast to labor migration from outside the region, labor migration within the Southeast Asian countries during the colonial period was of relatively lesser significance. This was principally because the majority of the Southeast Asian countries were fairly lightly populated, as noted previously.

Migration within Southeast Asia was basically of four kinds: migration into empty land; migration from rural areas to town and industry; migration to government-sponsored agricultural settlement projects outside densely populated areas; and migration from poorer and overpopulated regions to 'richer' countries.

For migrants of the first kind, Lower Burma before 1900 offers the best example. The opening of the Burma delta led to migration southwards from Central and Upper Burma. Subsequently, other migrants came as seasonal labor, often receiving payment in kind. The second type of migration, from rural areas to towns, was an integral part of colonial development, and was found in most countries. The best example of the third type is the migration from densely populated Java to agricultural settlement projects in the Outer Islands in the first decade of the twentieth century. Migration from Java to regions/countries offering wages/better wages became typical in the early twentieth century, to the extent that geographical proximity and the laws of the source and receiving countries permitted. This migration was of indentured labor, recruited through intermediaries, and bound by sanctions. Thus indentured Javanese labor went to Sumatra, Malaya and Sabah, while indentured migrants from northern Indochina went to Cochin-china. These migrants, who were unskilled laborers, formed most of the migrant labor force in Sumatra and Cochin-china, compared to the Chinese and Indians in other countries.¹⁰

Sojourning and Settlement in Malaya

Malaya stands out both in the overall magnitude of migrants and the creation of a plural society, and its demographic foundations were established in the first three decades of the twentieth century. There were three main explanations for this demographic transformation: the policy of unrestricted immigration; the need to ensure a planned and regulated migrant labor supply; and the need to avoid over-dependence on any one group.¹¹ Unrestricted migration and the policy of favouring Indonesians meant that the Indonesians migrants (who also came as agriculturalists), invariably settled in Malaya.¹²

Generally, a liberal immigration policy underscored the Malayan government's migration goals and immigration remained largely unrestricted

¹⁰ Kaur, *Wage Labor*, chapters 2-4.

¹¹ *Ibid.*, chapter 4.

¹² See Amarjit Kaur, 'Indonesian Migrant Labor in Malaysia: From Preferred Migrants to "last to be hired" Workers' in A. Kaur and Ian Metcalfe, eds, 'Migrant Labor in Southeast Asia: Needed, Not Wanted', Special issue *Review of Indonesian and Malaysian Affairs*, 39, 2, 2005, pp. 3-30.

until the 1930s, when some quotas were introduced on alien immigration. Nevertheless, these restrictions never attained the importance they did until after Malaya achieved independence. Three considerations shaped the Malayan administration's migrant labor policy: the acquisition of a plentiful, diversified, and cheap labor supply for colonial undertakings and capitalist enterprise; the (limited) assurance of the laborer's freedom of movement; and the provision of a limited amount of protection for workers. This protection was provided either through the aegis of Labor departments (for Indians and Indonesians) or Protectorates for the Chinese. The diversified recruitment policy meant that migrant labor could be manipulated easily and ensured that workers were not easily assimilated or readily accepted by the local inhabitants.

In the case of the Indians, settlement was facilitated by the paternalistic policy of the Indian government towards Indian emigration. As noted previously, Indian migrant workers were mainly single adult males. Married men were discouraged from emigrating since wages were low; the norm of payment was a single person wage; working conditions were harsh; and accommodation was available for single men only. After 1922, the Indian government gave greater prominence to the issue of gender imbalance among emigrants and its concerns were embodied in subsequent legislation. Furthermore, amendments to the Labor Code in Malaya stipulated the provision of rooms for married couples as well as childcare and educational facilities. Thus legislation and the provision of childcare centres of some sort, which facilitated Indian women's participation in the paid workforce, was consistent with increased female immigration and greater permanent Indian settlement in Malaya.¹³

Where the Chinese were concerned, the transition from sojourning to settlement came about when the immigration of Chinese women to Malaya increased markedly in the early twentieth century. This subsequently impacted on the demographic profile of the Chinese community. In the 1930s too, although the British imposed quotas on the entry of male Chinese immigrants, Chinese women's entry was unimpeded, consistent with government policy of encouraging settlement and improving the gender ratio of the Chinese community.

The resulting demographic change was reflected in the Malayan census figures. The population of Malaya increased from approximately 2.6 million in 1911 to 5.7 million in 1957 and the share of the immigrant population increased rapidly as shown in Figure 2.

¹³ Selvakumaran Ramachandran, *Indian Plantation Labor in Malaya*, Kuala Lumpur: S. Abdul Majeed & Co. for Institute of Social Analysis (INSAN), 1994, p. 32.

The Colonial State: Border Controls and Immigration Policy until 1957

As noted above, despite an earlier commitment to unrestricted immigration, the British introduced new legislation in Malaya in the 1930s which placed limitations on the entry of Chinese. The new legislation represented the first attempts by the colonial state to use ‘borders’ as a means of keeping out a specific racial group. The rationale to exclude entry was based both on economic and security/political motives.

Briefly, three phases may be distinguished in colonial immigration policy and goals. These goals were consistent with patterns in world trade and the demand for Malaya’s export commodities; economic conditions in the country; and labor activism among migrant workers. During the first phase, 1900-27, the country witnessed the expansion of the tin and rubber industries and the entry of thousands of migrant workers to labor in these industries. For all three groups, Chinese, Indian and Indonesian, entry was completely free and unrestricted. There was, nevertheless, repatriation of some groups of unemployed workers during depressed economic conditions in the 1920s.

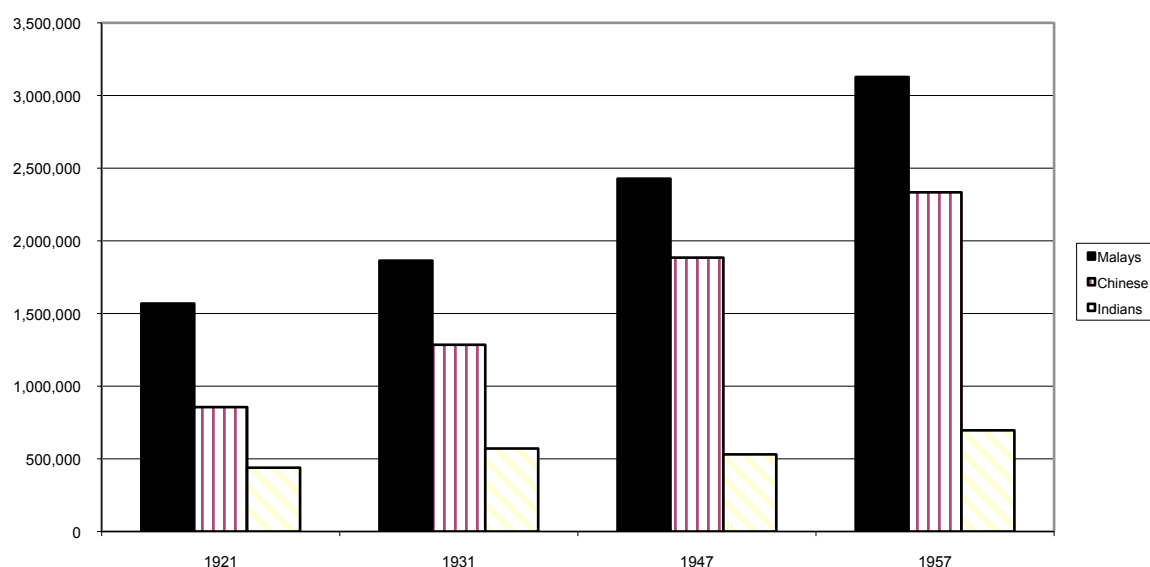


Figure 2. Peninsular Malaysia: Population Growth by Race, 1921-57.

Source: Saw Swee Hock, *The Population of Peninsular Malaysia*, Singapore: Singapore University Press, 1989, p. 54.

During the second phase, 1928-46, the British enacted the first piece of restrictive legislation in the Straits Settlements (SS), the *Immigration Restriction Ordinance* (IRO), in 1928, empowering the Governor of the SS to regulate or prohibit immigration ‘for the purposes of performing domestic or manual labor whenever the influx of immigrants threatened unemployment,

economic distress or was not in the public interest'.¹⁴ This legislation, though applicable to all immigrants, was directed at the Chinese, particularly those of a 'criminal type'. It was viewed as an important instrument to deal with the Chinese since the state lacked legislation to manage Chinese migrants following the abolition of Chinese indentured labor in 1914. This legislation had two major ramifications. It enabled the colonial government to establish a basic framework for border controls and empowered it with the means to control the entry of labor deemed surplus to the requirements of the country.

Although initially no immediate measures were taken to restrict immigration, from 1930 the state adopted a restrictive immigration policy. This policy stemmed from worsening world trade consistent with the Great Depression, rising unemployment and depressed economic conditions in the country. The closure of some tin mines and rubber estates prompted the government to impose a monthly quota on adult Chinese male immigration from August 1930.¹⁵ The British also implemented a policy of repatriation of unemployed and destitute Indians. The cost of repatriation was covered by the Indian Immigration Fund. The task of repatriating unemployed Chinese was largely left to the Chinese community.

Notwithstanding this, it soon became apparent that there were several loopholes in the IRO legislation. The colonial administration could only utilise the IRO in emergency situations, and the legislation did not include provision for internal enforcement measures to monitor the movements of migrants already in the country. By this time too there were growing calls among Malay nationalists for increased restrictions on the immigration of 'alien' Asians. These calls not surprisingly coincided with competition for jobs, especially in the public sector.

In January 1933 the IRO was replaced by the *Aliens Ordinance* (AO) in the SS. This legislation was essentially designed to 'regulate the admission of aliens in accordance with the political, social, and economic needs for the moment of the various administrations in Malaya' and 'to provide a means of registering and controlling aliens resident in Malaya'.¹⁶ This legislation too was directed at the Chinese since Indians were classified as British subjects.

The AO preceded the creation of an Immigration Department in the SS. Complementary legislation enacted in the Federated Malay States (FMS) and the Unfederated Malay States (UMS) led to the establishment of similar departments in these administrative units. All matters pertaining to Chinese immigration were also transferred from the Chinese Protectorate to the

¹⁴ Norman J. Parmer, *Colonial Labor Policy and Administration: A History of Labor in the Rubber Plantation Industry in Malaya*, Locust Valley; New York: J. J. Augustin for the Association for Asian Studies, 1960, p. 92.

¹⁵ Saw Swee Hock, *The Population of Peninsular Malaysia*, Singapore: Singapore University Press, 1988, p. 15.

¹⁶ Parmer, *Colonial Labor Policy and Administration*, p. 93.

Immigration Departments. Critically, the AO provided the colonial state with a mechanism for registering aliens resident in Malaya and represented an important stage in the development of statutes and measures to monitor immigrants in Malaya. Registration was not compulsory, but aliens who left the country with the intention of returning later were required to obtain a certificate prior to departure. This document allowed them to qualify for subsequent re-admittance without being subject to quotas.

Malayan-born Chinese were not affected by the AO ruling. Non-Malayan born Indonesians were exempted from the AO's ruling since the Governor-in-Council was empowered to set aside this legislation for specific groups of aliens originating from a particular place or country. Initially all Indonesians, women and children were exempted from this ruling. Thus Chinese women were exempted, consistent with the policy of improving the gender ratio in the Chinese community. Nevertheless, continuing unemployment led to the cancellation of this exemption for Chinese women in 1938. This change also coincided with labor unrest in the country and a continuation of the policy of deportation of 'undesirables'. The AO thus defined the status of Chinese as aliens in Malaya and interestingly, the term encompassed a large number of Chinese who had settled in Malaya but still retained their Chinese citizenship. Chinese immigration to Malaya came to an end following the outbreak of World War II.¹⁷ Indonesian labor migration, however, continued to be encouraged by the British.

There were some interesting developments for Indians as well. Although Indians did not fall under the AO's jurisdiction, the British deported a number of 'undesirable' Indian labor activists in the latter half of the 1930s. In 1938, too, the Indian government banned all assisted Indian emigration to Malaya in response to the demands of Indian nationalists lobbying for improvements in the working conditions and political privileges of Indian labor.¹⁸

During the third phase, 1947-57, the AO was replaced by the *Immigration Ordinance* (IO) of 1953. This Ordinance resulted in even more stringent border controls and laid down for the first time the specific composition of migrants allowed entry into Malaya. Unlike the earlier restrictions based on 'alien' identity and gender, the IO also specified nationality and occupation and thus placed greater emphasis on the skills of the migrants. Permanent entry was restricted to: first, persons who could 'contribute to the expansion of commerce and industry'; second, persons who could provide 'specialized services not available locally'; third, 'families of local residents; and fourth, other persons on 'special compassionate

¹⁷ Saw, *The Population of Peninsular Malaysia*, p. 16.

¹⁸ Kaur, *Wage Labor*, chapter 4.

grounds'.¹⁹ Clearly, this legislation was in tune with nationalist sentiment in the country. New stipulations required potential immigrants to have job contracts of at least two years with Malayan firms and earn a salary of not less than MYR \$400 a month.

The ending of colonial rule in Malaya is noteworthy for two major reasons. First, in the area of immigration policy, more restrictive legislation was implemented to curb unskilled Chinese and Indian immigration into Malaya and this was largely dictated by economic and socio-political considerations. Second, border controls and internal enforcement measures assumed greater importance, coinciding with the prevailing political conditions in the country after World War II. The Malayan Emergency (1948-60) in particular resulted in the introduction of the Internal Security Act (ISA), and a compulsory system of identification cards for all residents aged twelve years and over. The identity cards categorized people on the basis of their nationality and residential/occupational status and, in effect, created the 'outsider'.²⁰ Both these internal enforcement measures are an enduring legacy of colonial rule, and have been adapted or modified to suit the needs of the national state in the face of global pressures and the 'new' migrant labor market in Southeast Asia.

Globalization and International Labor Migration (ILM) in Southeast Asia since the 1980s

By about the 1970s, following the various problems of decolonisation and post-war readjustment in Southeast Asia, there had emerged two broad groups of countries in the region. There were those that under Communist or Socialist regimes withdrew from the international economy to a large extent. These included Vietnam, Cambodia, and Laos, whose trading relations were concentrated on Eastern-Bloc countries, and Burma, which remained politically neutral and became economically isolated. This group of countries experienced economic stagnation and continued to have per capita incomes among the lowest in the world. The other countries, Singapore, Malaysia, Thailand, the Philippines and Indonesia maintained open economies and achieved sustained levels of high economic growth based on export-led development strategies. These newly-industrializing countries (NICs) also formed the Association of Southeast Asian Nations (ASEAN), with Brunei joining later, to promote common political interests. Although the subsequent Asian economic and financial crisis of 1997-98 resulted in an economic

¹⁹ Saw, *The Population of Peninsular Malaysia*, p. 17.

²⁰ Amarjit Kaur, 'Crossing Frontiers: Race, Migration and Borders in Southeast Asia', *International Journal of Multicultural Societies (IJMS)*, 6, 2, December 2004, pp. 202-23, <www.unesco.org/shs/ijms/vol6/issue2/art1>.

downturn from which the first three have since recovered, Indonesia has not yet established a firm platform for recovery, while the Philippines grapples with political and security problems. The other Southeast Asian states have also embraced trade liberalization and export-led growth strategies and joined ASEAN.

Together the Southeast Asian states are engaged in multilateral efforts to promote freer and expanded trade through the ASEAN Free Trade Area (AFTA). The ASEAN Framework Agreement on Services (AFAS), which seeks to encourage temporary labor migration for services, trade and investment within the region, is a key regional agreement with the stated goal of moving towards an ASEAN 'economic community' by the year 2020.²¹ The states continue to grapple with issues of labor migration and refugee flows which have become one of the most important challenges in their international relations with one another. Generally, borders established by the colonial rulers were both 'fuzzy and ambiguous', they were also porous, had no physical marking and where they ran through transnational ethnic communities, had little impact on local economic activities and movement. As a result, since people are 'less' mobile than goods, capital and ideas, the globalized Southeast Asian state's role essentially centres on the regulation of populations and the control of cross-border movements.

The question of sovereignty lies at the heart of this issue since while territorial boundaries limit the sovereign authority of a state, the cross-border flows of economic refugees and irregular migrants are no longer just domestic issues. All these labor flows in turn have resulted in, for example, the design of specific schemes for temporary workers, residency policies and schemes for the facilitation of financial flows or remittances by migrant workers. Migration regularization is also being combined with tighter border controls, employer sanctions and law enforcement measures. Increasing interdependence nevertheless, has created the conditions for international governance and hence national policies are being shaped by, and respond to, the expanding global governance regime.

Migration Challenges

ILM is now an established structural feature of Southeast Asian labor history.²² However, there are gaps in our knowledge of the migration

²¹ Chris Manning and Pradip Bhatnagar, 'Coping With Cross-Border Labor Flows Within Southeast Asia' in A. Kaur and I. Metcalfe, eds, *Mobility, Labor Migration and Border Controls in Asia* (Basingstoke: Palgrave Macmillan, 2006, pp. 52-72). This has now been accelerated to 2015.

²² Prema-chandra Athukorala and Chris Manning, *Structural Change and International Migration in East Asia*, Melbourne: Oxford University Press, 1999; and Chris Manning,

challenges and population movements in Asia generally and Southeast Asia in particular. Many countries in East Asia—Japan, Taiwan, South Korea and Hong Kong (except China)—are now mainly countries of destination, while South Asia continues to consist principally of countries of origin of migrants. In the Southeast Asian region, the pattern is more diverse. The Philippines, Indonesia, Myanmar, Vietnam, Laos and Cambodia are countries of origin; Brunei and Singapore are predominantly countries of destination, while Malaysia and Thailand are both countries of origin and destination of migrants. Skilled migrants from India and Australia now also comprise a new migratory stream in the Southeast Asian region, with Singapore, Malaysia and Thailand the principal destinations. There are also increasing South to North and North to South flows, involving students, refugees and contract workers.

For the past three decades or so, high rates of labor immigration into Southeast Asia have coincided with impressive rates of economic growth in Singapore and Malaysia. For example, by the mid 1990s foreign migrant workers accounted for almost a quarter of Singapore and Malaysia's labor forces.²³ The expansion of ILM to these countries may be explained by a rising demand for high and low skilled labor in these countries, consistent with rapid economic growth, as well as the comparatively cheaper cost of foreign labor. Immigration from neighbouring countries has also been a successful strategy for poorer Southeast Asians to improve their economic position. Income differentials and economic incentives are thus a major factor in labor migration. Crucially, the ending of major conflicts in the region also made it easier for people to emigrate, as did the establishment and perpetuation of migration networks.

The following section focuses on labor crossings among the five NICs, namely Singapore, Malaysia, Thailand, Indonesia and the Philippines and the economic and demographic disparities among these countries.

The divergence in economic growth between the five countries is shown in Figures 3 and 4. The GDP average annual growth rates for the period 1970-2000 (Figure 3) indicate that all five countries (Singapore, Malaysia, Thailand, Indonesia and the Philippines) recorded strong growth between 1975 and 1980. Economic growth was consistent with job expansion in all countries, though not at the same rate. The Philippines experienced negative growth between 1980 and 1985, but recovered subsequently. A clearer picture emerges when we look at the GDP average annual per capita growth rates for the five countries during the same period (Figure 4).

'Structural Change, Economic Crisis and International Labor Migration in East Asia', *The World Economy*, 25, 3, March 2002, pp. 359-85.

²³ Kaur, *Wage Labor*, chapter 9.

In 1997-8, a financial and economic crisis threatened the stability of these countries, and Indonesia and Thailand were the worst affected among. The Philippines also experienced political instability. Subsequently, Indonesia and the Philippines became the largest labour exporters in the region.

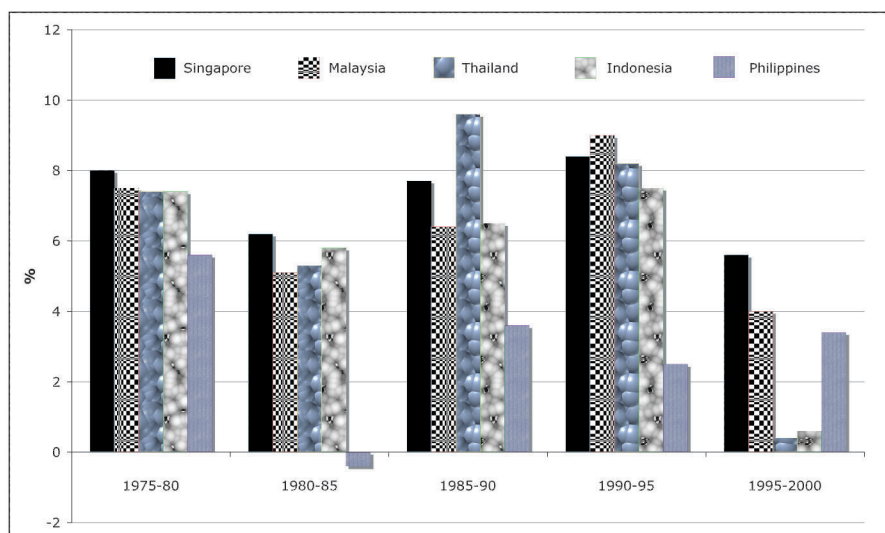


Figure 3: Annual GDP Growth Rate for Selected Southeast Asian Countries, 1970-2000.

Source: United Nations, Department of Economic and Social Affairs/Population Division, National Trends in Population Resources, Environment and Development: Country Profiles: 201-373. <http://www.un.org/esa/population/publications/countryprofile/index.htm>, accessed 20 June 2006.

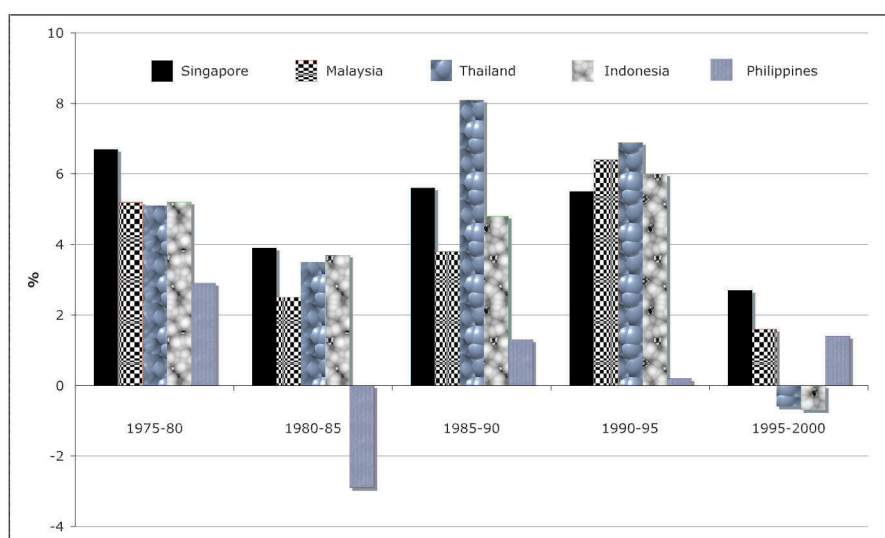


Figure 4: Annual GDP Growth Rate Per Capita for Selected Southeast Asian Countries, 1970-2000.

Source: United Nations, Department of Economic and Social Affairs/Population Division, National Trends in Population Resources, Environment and Development: Country Profiles: 201-373. <http://www.un.org/esa/population/publications/countryprofile/index.htm>, accessed 20 June 2006.

Demographic imperatives are also becoming more important, guaranteeing increased ILM in the twenty-first century. In 2000 the population of the five globalising countries was as follows: Singapore, 4.0 million; Malaysia, 22.9 million; Thailand, 61.4 million; Indonesia, 209.2 million and the Philippines 51.5 million.²⁴

Demography is thus playing a major role in labor migration in the region. Singapore and Malaysia, which had undergone demographic transition (followed by Thailand), experienced a significant tightening of their labor markets by the 1980s. On the supply side, therefore, the disparities in economic development and population between the 'more' developed and 'less' developed Southeast Asian countries created conditions of complementarity between the 'richer' labor destination countries and the 'poorer' labor source countries.

The new regional migration patterns in Southeast Asia include fast growth in the demand for high and low skilled migrant workers in particular occupational categories; the creation of sub-regional labor markets; and the increasing feminisation of the migrant labor force. Additionally, two characteristic regional migration systems are currently identifiable in Southeast Asia: the archipelagic ASEAN system and the Mekong sub-regional system. In the first, Malaysia, Singapore and Brunei are the major destination countries, importing workers from mainly Indonesia and the Philippines. In the second, Thailand has emerged as the main destination for migrant workers from countries through which the Mekong River flows, namely, Myanmar, Cambodia, Laos and Vietnam. In both these systems, the influence of mass media—radio, television and news media and returned migrants' tales play a key role in disseminating information about job opportunities and influencing the decision to move. At the personal level, migration is also dependent on networks within family, extended kinship, or close-knit village-based groups.

A third system, 'the Asia-Pacific' system, which is largely shaped by income and wage differentials between the nations in the larger Asia-Pacific region and the financial costs of transportation and communication between them, involves predominantly skilled migrants from India and Australia. The economies of Singapore, Malaysia and Thailand in particular have been transformed beyond recognition in the last decade or so, and their requirements for workers with specific professional and technical skills has determined the composition and magnitude of these skilled migrants and also reflect changing national priorities. This has implications not only for those who are permitted to enter but also the conditions under which they could

²⁴ United Nations Department of Economic and Social Affairs/Population Division PRED Bank 4.0 Country Profiles, pp. 200-372.

achieve the rights of citizens. A second stream involves largely unskilled migrants from South Asia, particularly Bangladesh.²⁵

Trends and Growth

Much of the labor migration in the region does not operate spontaneously, but takes place within networks, both within the source and destination countries. Chain migration, for example, within family, extended kinship, or close-knit village-based groups, plays a key role in disseminating information about opportunities available in Malaysia, Singapore and Thailand. Moreover, it minimizes both financial and removal disruption costs that migrants face. This cost minimizing factor is critical for two reasons. First, unlike the colonial period, ethnicity and social class have become even more pronounced in migration patterns, and there is both overt and covert hostility to migrants by governments and some segments of the population in destination countries. Additionally, migrants are forced into segmented labor markets that are characterised by wage discrimination, and this has led to social tensions. Second, migrants, their families and prospective employers have to bear the bulk of the financial and social costs associated with migration.

The growth in international labor migration (ILM) in the last four decades is due to a number of related factors. First, strong economic growth and the ending of major conflicts in the region have made it easier for people to emigrate. Since migration is primarily an economic phenomenon, shaped by the magnitude of income and wage differentials between countries and the financial costs of transportation and communication, there is strong incentive for people to move. Second, although a large percentage of emigrants from Indonesia, Bangladesh, the Philippines and Myanmar come from very poor areas, poverty is not the principal determinant of migration. These migrants are also not from the 'poorest' category, as they have to put up substantial amounts of money to get to their destinations. They also have access to loans in their local communities and also from intermediaries involved in the migration industry.

Third, the growth of an ASEAN regional economy, and the establishment of growth triangles and sub-regions designed to facilitate trade, capital and labor flows, has meant that many labor markets now overlap national borders, both for skilled and unskilled labor. These sub-regions such as, for example, the Brunei-Indonesia-Malaysia-Philippines East ASEAN

²⁵ Amarjit Kaur, 'International Labor Migration in Southeast Asia: Governance of Migration and Women Domestic Workers', *Intersections: Gender, History and Culture in the Asian Context*, Issue 15, May 2007, <http://intersections.anu.edu.au/issue15/kaur.htm>.

growth area (BIMP-EAGA) and the Northern ASEAN region have assisted in the emergence of distinctive migration systems. Notably, the dynamics of demography and development between Sarawak and Kalimantan have resulted in the governments of these states co-operating in the establishment of a number of large projects at the Entikong-Tebedu Border post area.²⁶ The pattern of daily commuting workers has also existed on the Singaporean-Johor border since colonial times and the Malaysian-Thailand border since the 1950s at least.

Fourth, the specific overseas labor deployment policies of countries like Indonesia, the Philippines and Bangladesh have also led to increased ILM in the region. For these countries (and Thailand to a lesser extent), the export of labor has become an important strategy for addressing poverty, easing domestic unemployment pressures, generating foreign exchange and fostering growth. Both Indonesia and the Philippines include targets for the number of workers they hope to send abroad in their economic development plans.²⁷ These targets have increased over time and rose to 1.25 million workers in the 1994-99 economic development plan and 2.8 million in the 1999-2003 economic development plan.²⁸

In the Philippines, the state has developed a highly regulated overseas contract workers management system through the Philippine Overseas Employment Administration (POEA). The POEA provides oversight over recruitment, deployment, and monitors the working conditions of migrants. Outstanding migrants are regarded as 'economic heroes' and receive awards on Migrant Workers' Day. In 1975 some 35,000 Filipino migrant workers left the country. By 1995 760,091 had left the country. In 2001 there were 7.3 million Filipinos overseas with 1.7 million in Malaysia, Hong Kong, Japan, Korea, Singapore and Taiwan.²⁹

Finally, the growth of a migration industry, which has coincided with the institutionalization of ILM by both labor-exporting and labor-importing countries, has resulted in an increase in migration and also its perpetuation. The migration industry comprises several layers of intermediaries: official recruitment agencies, private entrepreneurs (licensed and unlicensed), and labor contractors and brokers. It also rests on network-creating and network-dependent relationships in sending and receiving countries. Consequently, the risks of migration are reduced owing to the varied forms of assistance from

²⁶ Memet Agustiar, 'Indonesian Workers in Sarawak: The Direction of the Daily Commuting Workers via Entikong-Tebedu Border Post' in Michael Leigh, ed., *Borneo 2000: Language, Management and Tourism*, Kuching: Universiti Malaysia Sarawak and Sarawak Development Institute, 2000, p. 235.

²⁷ Kaur, *Wage Labour*, chapter 9.

²⁸ 'Help Wanted: Abuses against Migrant Female Domestic Workers in Indonesia and Malaysia', *Human Rights Watch*, 16, 9 (B) (July 2004), p. 9.

²⁹ *Migration News*, 9, 12 (December 2002).

intermediaries in matters such as documentation, transportation, and assistance with accommodation. Not surprisingly, the various layers and the fees involved have also led to irregular migration.

Migration Streams

There are three broad migration streams in Southeast Asia which are consistent with labor market segmentation in the region, viz. skilled labor flows, unskilled and semi-skilled labor flows (including gendered labor flows), and illegal (undocumented) labor flows.

Less-skilled Migrants. This stream is the largest and is attributed to the lower reservation wages of foreigners seeking employment opportunities in the destination countries. Workers who are recruited under this classification category are hired as temporary guest workers, are employed on work permits and generally tolerate poorer working conditions and manual work. They cannot access the labor market directly and are mainly recruited through private agencies and usually under specific bilateral agreements (MoUs) between the labor-exporting and labor-importing countries. These workers are employed primarily in the agricultural and fisheries sector and in the tertiary sector in manual (construction) and service employment, with little direct foreign capital involvement. Domestic workers are recruited under a system of sponsorship and the sponsor is normally a national citizen. Unlike other unskilled workers, who are employed in the regulated workplaces and who come under various employment enactments, the sponsors of domestic workers have a monopoly over the domestic workers' activities in the host country.

All 'documented' semi-skilled and unskilled workers have to pay hefty fees—agency fees (including a one way air ticket), insurance fees, a bank guarantee—in both countries of origin and destination. As 'guest workers' they are not allowed to remain in the host countries on completion of their contracts, though most return on new contracts. They are therefore not allowed to make the transition from sojourning to settlement under the complex unskilled worker recruitment system. Employers 'pay' for their return tickets and face heavy fines if workers are not sent back on completion of their contracts.

Highly Skilled Migrants. Workers recruited under this classification are considered professionals, whose skills are in great demand and who earn high salaries. These workers, who may be from the United States, Europe, Australia, Japan, India, Malaysia or Hong Kong, are at the high-end of the labor market. They are employed on employment passes and take up

specialized technical or management jobs either on their own initiative through specialized recruitment agencies, or are recruited in their home countries for overseas postings. In this category are included the managers, engineers, and other technicians who work for multinational corporations. They are closely associated with the expanding international trade in services, including financial services and communications.

Unauthorised/Irregular Migrants. The strong incentives for people to migrate from low-income to higher-income countries in Southeast Asia, the high administrative costs of migration, including payments to intermediaries and labor agencies and the insertion of quotas especially for unskilled contract labor intakes, has resulted in illegal migration constituting an important migration stream. Many employers accept illegal workers even though there are strict regulations, fines, prison terms, and physical punishment. This is principally because the illegal migrants are concentrated in labor-intensive industries shunned by local workers; paying very low wages. Consequently, illegal workers end up in certain low-paying segments of the labor market where they do not compete with local workers. Much of the information on this category of workers is not recorded and is not included in official statistics.³⁰

Gendered Dimensions of International Migration

International labor migration in Southeast Asia is very definitely a gendered process and interlinked closely with changes in the age, economic status and position of women in Southeast Asia. In the last three decades of the twentieth century, women's migration grew in importance as a larger percentage of women migrated independently for work purposes. Indeed, a feminization of the labor force has occurred in the Asian region in response to the gender-selective policies of labor-importing countries and the emergence of gender-specific employment niches. This in turn has resulted not only in the self-sustaining feature of this migratory stream, but also the emergence of particular female migratory linkages between groups of countries.

This feminization of the new migrant labor may be attributed to three main factors. The first relates to general changes in the labor markets in Southeast Asia. The newly-industrializing countries' trade liberalization strategies resulted in the emergence of specific production niches

³⁰ Graziano Battistella and Maruja M.B. Asis, 'Southeast Asia and the Specter of Unauthorized Migration' in Graziano Battistella and Maruja M.B. Asis eds, *Unauthorized Migration in Southeast Asia*, Manila: Scalabrini Migration Center, 2003, pp. 1-10.

(electronics, textiles, garments), consistent with the New International Division of Labor. These developments facilitated the expanded labor force participation of women in the formal sector in these countries and were associated with the modernization of the agricultural sector and rural-urban migration, principally of women. There was also a trend towards migration abroad since women's employment in the urban labor market was often impermanent, irregular, and insecure.³¹

The second factor is linked to the maturing of the labor markets in Singapore and Malaysia, associated with relatively high labor force participation rates of women, and general labor shortages in these countries.³² This in turn created an increased demand for housekeeping and childcare services, which has been met by migrant women workers from the lower-income Southeast Asian countries. Thus the specific labor needs in the destination countries for domestic workers largely shaped and continue to shape women's migration in Southeast Asia. According to *Human Rights Watch* more than 90 percent of domestic workers in Malaysia are Indonesian.³³

The third factor influencing women's migration may be traced to individual and family decisions. Although a number of women make autonomous decisions to migrate for work purposes abroad, a large number do so as part of family survival strategies. Women domestic workers have more possibilities of legal employment in West Asia, Taiwan, Hong Kong, Malaysia and Singapore. The state's encouragement of this migration stream also influences their decision, as noted earlier. According to Hugo, Indonesian female migrants outnumbered male migrants by more than two to one in the documented labor flows during the period 1983- 2000.³⁴

Regulation of Migration

Issues of labor migration and temporary guest worker schemes have raised three important considerations for labor-importing countries in Southeast Asia. The first relates to the number of migrants to be allowed to enter, or the magnitude of immigrants. The second relates to the specific composition of migrants, particularly with respect to occupations, skills, nationality, religion and gender. Both these considerations underpin migration goals and are not

³¹ Kaur, *Wage Labor*, chapter 8.

³² Amarjit Kaur, *Women Workers in Industrialising Asia: Costed, Not Valued*, Basingstoke: Palgrave Macmillan, 2004, chapter 5.

³³ 'Help Wanted', p. 4.

³⁴ G. Hugo, 'Women's International Labor Migration' in Kathryn Robinson and Sharon Bessell, eds, *Women in Indonesia: Gender, Equity and Development*, Singapore: Institute of Southeast Asian Studies, 2002.

completely autonomous, since concerns with composition affect the overall number of migrants permitted to enter. The third and, in some ways, the most important consideration, is to manage migrant labor flows while simultaneously facilitating growth by targeting an appropriate skills mix. Thus governance of migration represents a major challenge for destination countries since it involves the manipulation of both supply and demand of migrant labor.

Generally, migration policy in the three main labor-importing countries—Singapore, Malaysia and Thailand—relates to investment flows, the recruitment of workers for low-wage occupations shunned by their own nationals, and extending the life of labor-intensive industries for export. Thus, the three states have embraced differing policy combinations that seek to balance the pressures between achieving their longer-term goals of industrial-upgrading and technological change on the one hand, and maintaining competitiveness in the shorter-term on the other.

First, the three countries have permitted the entry of unskilled workers into sectors such as construction, the restaurant trade, domestic work and related services such as carers. The presence of foreign workers in these occupations has enabled the three countries to moderate the increase in domestic labor costs. Second, in order to maintain competitiveness in labor-intensive tradables, Malaysia and Thailand have permitted foreign worker recruitment to control wage costs. The oil palm plantation industry and the lumber industry in Malaysia would probably not have remained internationally competitive if the agricultural sector had been dependent on domestic labor. In Thailand, coastal fishing and the fish processing industry is reliant on migrant workers. Some manufacturing activities, for example textiles, are also dominated by foreign workers.

Third, services are increasingly driving the economies of these countries and they are keen to strengthen their position as regional and global services providers and become knowledge-based economies. One of the major constraints in achieving this objective is the shortage of skilled professionals. Thus foreign professional workers are employed in engineering, the IT sector, education and health sectors to assist them in attaining their longer-term goals of industrial-upgrading and technological change.

The three countries' migration policies differ significantly with respect to how adequately these have been integrated into the broader economic and social policy-making frameworks. Singapore stands at one end of the spectrum in developing a set of policies that are closely integrated into national development strategy through an elaborate arrangement of migrant levies on lower-skilled workers, incentives for highly-skilled professionals, and strict regulation of these policies. In Thailand, policies have been developed for skilled workers, but the state's policies for unskilled migrants

remain inadequate. Regular registration and repatriation exercises have been utilised to control the inflow of undocumented migrants from neighbouring states in the Mekong sub-region since the mid 1990s. In 2004 the Thai state signed memoranda of understanding (MoUs) with these neighbouring states to improve its regulatory mechanisms.

Malaysia and Thailand also utilize MoUs with neighbouring countries as instruments for negotiating rules governing cross-border movements. The MoUs are 'elaborate systems' for the temporary employment of the nationals of one country in the other and require active participation and oversight by both countries. MoUs specify the terms and conditions of workers and both governments are required to ensure the return of workers to their countries upon completion of their employment contracts. The MoUs are also revised as the situation requires in either country. The MoUs are thus a governance structure for recruitment and repatriation policies and also for the protection of workers in host countries. For example, in May 2004 Malaysia and Indonesia signed a new MoU to provide more safeguards in recruitment and placement and repatriation of migrant workers and the treatment of migrant workers. Unfortunately, domestic workers were excluded from the agreement (MoU between Indonesia and Malaysia 2004). Thailand also initiated a set of bilateral talks with neighbouring countries of Cambodia, Lao People's Democratic Republic (LPDR) and Myanmar in 2002-03, in an attempt to regularise the recruitment of migrant workers in places of origin, rather than after undocumented arrival in Thailand.³⁵ This resulted in MoUs between the Thai government and these states in 2004-05 whereby the Thai government allowed less-skilled migrants to register and work legally in Thailand. Singapore prefers to rely on market forces to determine the demand for and wages of migrant workers.

In both Singapore and Malaysia the deployment and management of foreign labor is regulated by three major legislative instruments, namely the relevant Immigration Act of each country; the Employment of Foreign Workers' Act—under which is subsumed the Employment Agencies Act; and the Penal Code. The Immigration Act provides guidelines for the police force in each country to deal with immigration violations and the exercise of prosecutorial discretion with respect to both employers and irregular migrant workers. With regard to the Employment of Foreign Workers' Act, both states regulate migrant workers through visas/employment passes and the work permit system, the foreign levy scheme and internal enforcement measures. The Employment Agencies Acts of both countries are designed to ensure that employment agencies do not charge job seekers more than the

³⁵ Patcharawalai Wongboonsin, 'The State and Labor Migration Policies in Thailand', in Amarjit Kaur and Ian Metcalfe, eds, *Mobility, Labor Migration and Border Controls in Asia*, Basingstoke: Palgrave/Macmillan, 2006, chapter 13.

amount stipulated by the state. Finally, the Penal Code provides penalties for non-payment of workers and the physical abuse of workers.³⁶

Briefly, therefore, while free trade and the mobility of capital are seen as important pathways to globalization, the movement of people between nation states continues to be subject to violations of civil, economic and political rights.

Case Study—Malaysia: Migrant Workers—Sojourners, not Settlers

Compared to the island state of Singapore, Malaysia shares land borders with Indonesia and Thailand. During the colonial period, borders between the three countries and the Philippines were essentially porous. Moreover, although the long-standing dispute with the Philippines over the Malaysian state of Sabah flared intermittently, at the same time, there was some support for the Muslim separatist movement in Mindanao. In 2001, following incursions into Malaysian territory, the refugee status of the Filipinos was revoked, and their further stay became conditional upon them securing work permits.³⁷

This also led to the ‘securitising’ of the Filipino illegal migrant worker problem in Sabah. The illegal entry of Indonesian workers, and more alarmingly for the state, rioting by Indonesian construction workers and workers in a textile factory and in a detention camp has also been seen as a security issue. It is estimated that there are about 152,700 refugees and asylum seekers currently in Malaysia.³⁸ While the Malaysian government has granted permission to about 10,000 members of Burma’s Rohingya Muslim minority to remain in the country, the plight of about 10,000 refugees from Aceh remain uncertain.³⁹

Like Singapore, changing labor market demands shape, and have shaped government migration goals and labor recruitment policies. Essentially, the Malaysian state has alternated between tightening immigration controls and loosening them through bilateral agreements and

³⁶ Kaur, ‘International Labor Migration’.

³⁷ Amarjit Kaur, ‘Refugees and Refugee Policy in Malaysia’, UNEAC Asia Papers Nos. 12-19, 2007, Special Issue, *Refugees and Refugee Policies in the Asia-Pacific region*, p. 87.

³⁸ Kaur, ‘Refugees and Refugee Policy in Malaysia’ p. 85.

³⁹ J. Liow, *Desecuritising the ‘Illegal Indonesian Migrant Worker’ Problem in Malaysia's Relations with Indonesia*, Singapore: IDSS, 2002; ‘Aceh under Martial Law: Problems Faced by Acehnese Refugees in Malaysia’, *Human Rights Watch*, 16, 5 (C) April 2004; and Amnesty International 2005 Report. Human Rights Watch, ‘Aceh under Martial Law: Problems faced by Acehnese Refugees in Malaysia’, 16, 5, (C) April 2004. Available at <http://www.hrw.org/reports/2004/malaysia0404>.

amnesties. Four distinct phases may be distinguished since the 1970s. During the first phase, 1970-80, the Malaysian government followed a liberal policy towards foreign worker recruitment. Employers either hired Indonesians who were domiciled in the country (in squatter settlements) or from Indonesia through private labor brokers, for the plantation and construction sectors. During the second phase, 1981-88, foreign labor recruitment was legalised, an official channel was created for labor recruitment and bilateral agreements signed with governments of sending countries. Thus in 1982 a Committee for the Recruitment of Foreign Workers was established and in 1984 the Malaysian government signed a bilateral agreement (the Medan Agreement) with the Indonesian government for the government-to-government regulated supply of Indonesian workers for the plantation sector and for domestic work. Following this, in 1985, the Filipino and Malaysian governments signed a memorandum of understanding for the importation of domestic helpers. In 1986 employers in the plantation and construction industries in Malaysia were permitted to recruit labor from Bangladesh and Thailand for the plantation and construction sectors, following agreements between Malaysia and Bangladesh and Thailand respectively.⁴⁰ Nevertheless, migrant workers continued to enter the country as irregular migrants using network-dependent and network-creating relationships.

During the third phase, 1989-96, a legalisation programme was commenced to halt illegal immigration. Growing public disquiet against the more pronounced visibility of Indonesian migrant workers fuelled this programme, which had its origins in the economic recession of 1985-86. Thus public sentiment and 'societal borders' led to a change of policy and in 1989 the further importation of foreign labor was frozen. Concurrently, a programme to legalize/regularize the status of Indonesian migrants was implemented. Employers of undocumented workers were encouraged to legalize their workers. However, this program had limited success since not many employers were willing to change the status of their undocumented workers. During this phase too, the Malaysian government implemented an amnesty programme that was targeted initially at domestic workers and then extended to workers in the plantation and construction sectors. Under this programme all undocumented ('illegal') workers were required to register themselves at special registration centres in order to remain in the country as legal workers.⁴¹

The intensification of border controls throughout the country during this period was consistent with evolving border control legislation. For example, the state deployed the Police Field Force to patrol borders and

⁴⁰ Amarjit Kaur, 'Changing Labor Relations in Malaysia, 1970s to 1990s', *Journal of the Malaysian Branch, Royal Asiatic Society (JMBRAS)*, 73, 2, 2000, pp. 1-16.

⁴¹ Kaur, 'Indonesian Migrant Labor in Malaysia'.

guard against illegal landings on Malaysia's coastlines. This third phase was also marked by the final eradication of on-site illegal recruitment of labor and the implementation of an official migrant labor recruitment system based solely on offshore recruitment. During this period too the Indonesian government established a single company (P T. Bijak) to oversee the labor recruitment business and to provide a measure of control over recruitment arrangements.⁴²

The fourth phase, since 1997, is distinguished by two important developments. First, the financial and economic crisis of 1997-98 marked a turning point in state policy towards foreign labor recruitment. Further efforts to control undocumented migration were implemented; an amnesty programme was introduced that permitted illegal migrants to depart without penalty. Second, a work-permit system based solely on offshore recruitment was enforced, resulting in workers being categorized more rigidly than before. Crucially, employment permits have become both location and employment specific and legislative and police actions to combat irregular migration have been strengthened. Detention camps were also established to hold undocumented workers. Furthermore, an amendment was made to the 2002 Immigration Act that resulted in harsh punishments for immigration violations. It is now a criminal offence for foreign workers to work without a work permit or visa, and punitive measures, including the caning of workers have been implemented. Errant employers, who employ more than five illegal workers, are also subject to fines, imprisonment and caning.⁴³ Citing humanitarian reasons, an amnesty period was also granted to all illegal workers who registered themselves at repatriation stations.

But the major change has been in the origin of migration workers. The Malaysian government has enacted new legislation introducing a diversified recruitment policy to reduce dependence on any one racial group, reminiscent of the colonial period. Furthermore, just like the colonial period, employers are required to provide segregated housing and separate transport facilities for their workers.⁴⁴

Thus the possible influxes of both documented and illegal migrants, the potential erosion of national sovereignty and, since 11 September 2001, fears of terrorism have raised major concerns for the Malaysian state.⁴⁵ While Malaysia's attempts and policy to manage and regulate foreign workers was

⁴² G. Hugo, 'Labor Export from Indonesia: An Overview', *ASEAN Economic Bulletin*, 12, 2, 1995, pp. 275-98.

⁴³ *New Straits Times*, 12 October 2003.

⁴⁴ Kaur, 'Indonesian Migrant Labor in Malaysia'.

⁴⁵ Amarjit Kaur, 'Order (and disorder) at the Border: Mobility, International Labor Migration and Border Controls in Southeast Asia' in A. Kaur and I. Metcalfe, eds, *Mobility, Labor Migration and Border Controls in Asia*, Basingstoke: Palgrave/Macmillan, 2006, pp. 23-51.

earlier regarded as *ad hoc* and reactive, ILM has become a major domestic and international political issue, and there are now intensified border controls and a more stringent immigration policy in place. These in turn have been met with resistance from local and international humanitarian organisations.⁴⁶

Moreover, border controls have become diffused in Malaysia in the face of intensified global economic pressures and problems associated with the integration of migrant workers. A shortage of staff to patrol the territory (as distinct from frontier controls) has resulted in the Malaysian state authorizing voluntary, neighbourhood security associations to conduct immigration raids and arrest undocumented workers. These civilians receive minimal training and are given cash awards for each illegal immigrant apprehended.⁴⁷ Thus Malaysia, in common with other Southeast Asian states, is confronted with the enormous task of framing friendly immigration frameworks and policies to better manage migration. The government and Malaysians want the benefits of migration, but none of the social and related costs.

⁴⁶ Human Rights Watch, 'Help Wanted: Abuses against Migrant Female Domestic Workers in Indonesia and Malaysia' 16 (19) (C) (July 2004):1–99, p. 9, <http://www.hrw.org/reports/2004/malaysia>.

⁴⁷ See for example, Malaysiakini, 'Big mistake giving Rela arbitrary powers', 13 June 2007 <http://www.malaysiakini.com/letters/68572>.