

Labour migration in Asia: What does the future hold?



Written by:

**ECONOMIST
IMPACT**

Asia's economic and demographic diversity catalyses dynamic and varied migration patterns, creating mutual benefits for countries. Making sense of the future of labour migration is indispensable for migration stakeholders' efforts to effect change – and work towards the ultimate goal of ensuring safe, orderly and regular migration.

Five key factors will continue to drive labour migration in the future:



**Income differentials
between countries**



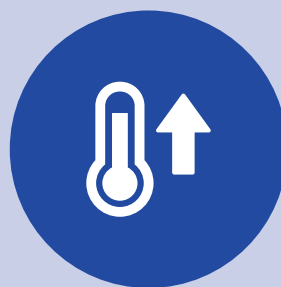
**Demographic shifts with
a focus on ageing**



**Technological shifts and
automation in the workplace**



**Economic transformation and
infrastructure development
of countries**



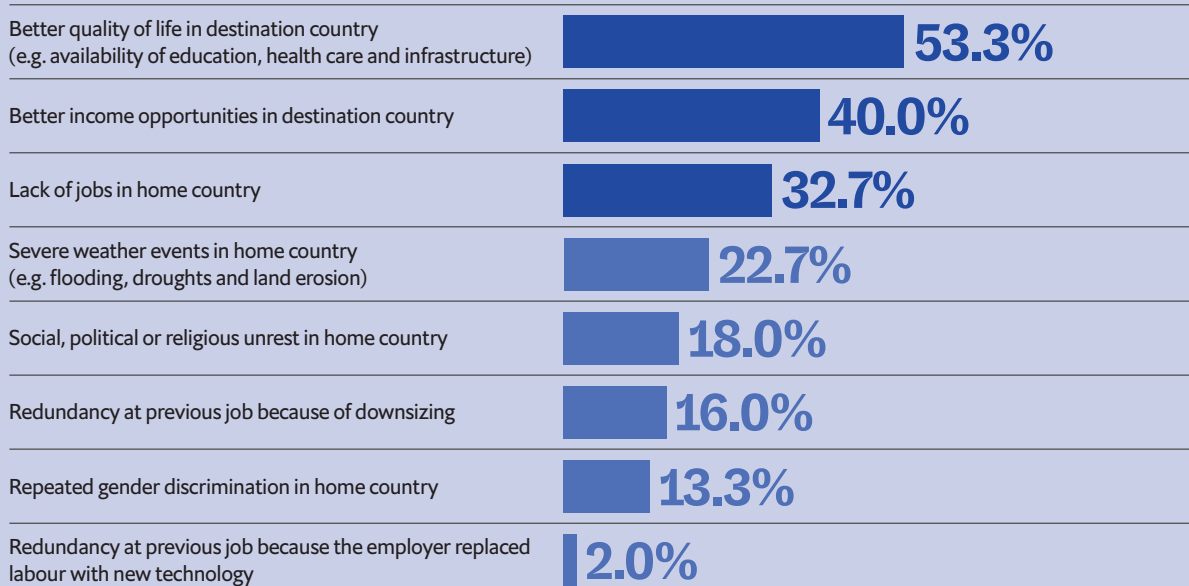
Climate change

The following highlights present key survey-based findings* that underline the role of these factors in shaping the future of lower-skilled labour migration in Asia.

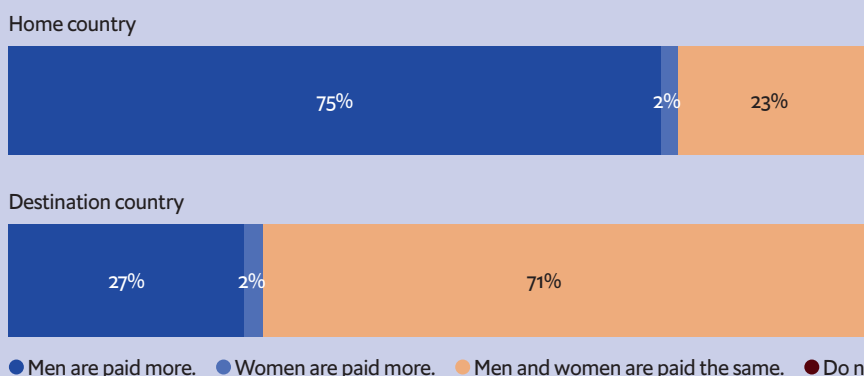


Income and employment opportunity differentials leading to differences in life quality are a fundamental driver of lower-skilled labour migration in Asia. The survey of migrant workers supports this trend.

Reason for migrating



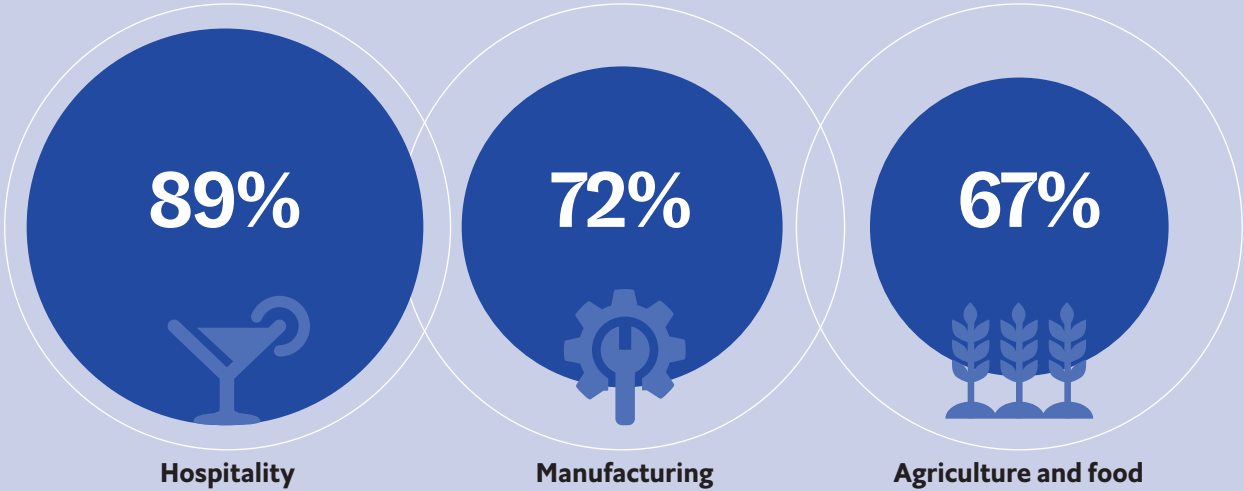
Migrant workers report higher gender pay parity in their destination countries vis-à-vis their home countries.



● Men are paid more. ● Women are paid more. ● Men and women are paid the same. ● Do not know.

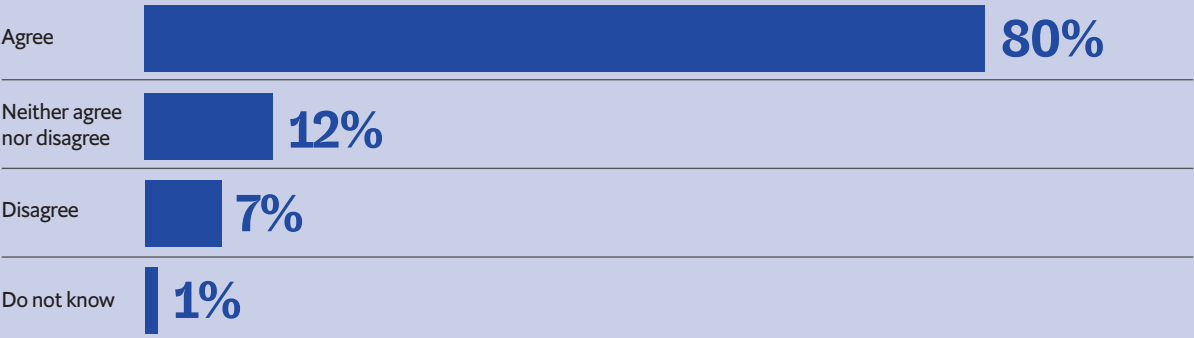
* Two Asia-based online surveys of 100 senior business executives and 150 migrant workers were conducted to explore the factors that will drive lower skilled labour migration in Asia in the future. The business executives participating in the survey were selected from six key destinations: Japan, Malaysia, the Republic of Korea, Singapore, Thailand and Hong Kong Special Administrative Region, China. They represented organizations across six sectors: agriculture and food, care work, construction, hospitality, manufacturing and retail. The migrant workers participating in the survey were selected from Bangladesh, Cambodia, India, Indonesia, Nepal, the Philippines and Viet Nam. These workers belonged to the same six sectors as outlined above and worked across the same set of destinations as the business executives were selected from.

The highest pay parity is reported in the hospitality, manufacturing, and agriculture and food sectors.



Migrant workers often rely on their employers in destination countries for financial support.

Extent to which surveyed business executives agree with the above statement:



Top two reasons for asking for salary advances or loans:

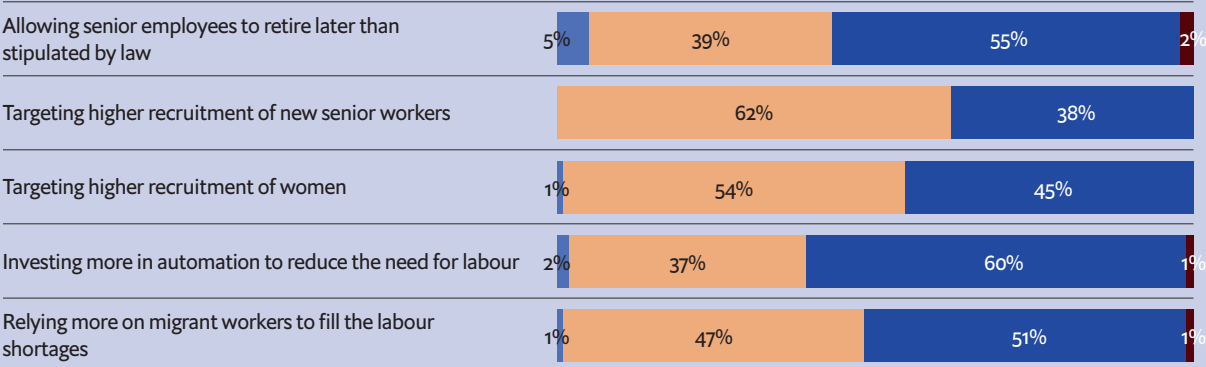
83%
Cover expenses related to settling in destination country

74%
Repay loans taken out to cover migration costs



According to business executives, relying on migrant workers is a key strategy in addressing local labour shortages arising from population ageing.

Strategies for addressing labour shortages



● Not effective ● Somewhat effective ● Very effective ● Not applicable to my sector

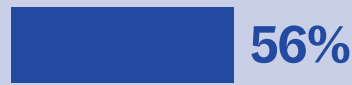
In the face of technology and automation in the workplace, business executives plan to continue relying on migrant workers.

Business executives will...

...continue to hire similar-skilled migrant workers



...hire higher-skilled migrant workers, but also continue to employ currently low-skilled migrant workers



...replace currently lower-skilled migrant workers with higher-skilled local workers



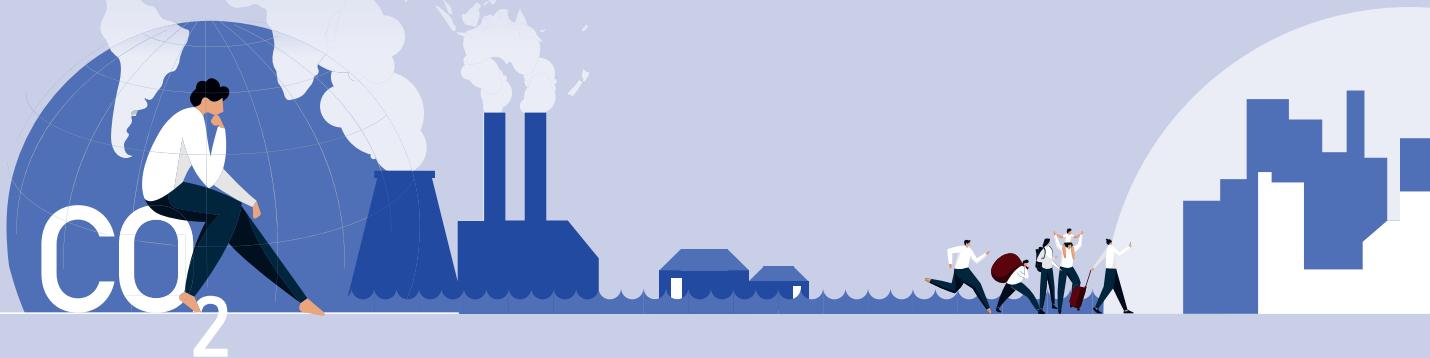
...replace currently lower-skilled migrant workers with higher-skilled local workers



Do not know



Almost 60 per cent of the surveyed migrant workers agree that COVID-19 has accelerated the speed of adoption of advanced technologies in their workplace. Sixty-four per cent of the workers expect to receive training from their employers in the use of advanced technologies in the future, with migrants working in the Republic of Korea and Thailand being the most optimistic groups (71% of each expecting such).



Migrant workers report the growing influence of climate change on labour mobility.

Of the workers who report that people from their residential areas in their home countries have experienced serious losses from climate change (e.g. floods, droughts and land erosion), almost 52 per cent state that these people are planning to migrate to another country owing to these losses.

"Yes, they are planning to migrate to another country."



"Yes, but they are planning to migrate within the country."



"No."



Business executives highlight various policy areas that need to be strengthened to improve recruitment and employment of migrant workers in their sectors.

