

## **Briefing Note**

South-South Parliamentarian Cooperation Project

# **Cross Border Labor Migration**

## **The Case of Lao PDR**

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# Cross Border Migration

## The Case of Lao PDR

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### 1. Introduction

In the 1970s and 1980s, the majority of Laotian migrants were refugees.<sup>1</sup> The 1986 Lao PDR socio-economic reform and the adoption of an open-door policy propelled a huge number of domestic and cross-border migrants via regular and irregular means due to poverty and economic opportunities.<sup>[2][3]</sup> The poverty headcount ratio has declined from around 39 percent in 1997 to 23.2 percent in 2012<sup>4</sup> but the number of regular migrants to Thailand increased from 77,914 in 2009 to around 733,000 in 2012, while, according to the Ministry of Labor of Thailand, the number of irregular migrants decreased from around 100,000 in 2009 to 40,000 in 2012.<sup>5</sup> However, it is important to note that the permanently undocumented status of many irregular migrant workers makes precise figures difficult to determine, and different sources give different figures.

Over the years, Thailand has become one of the main destinations for Laotian migrant workers due to its size and the economic development it has enjoyed over the past two decades, its geographical proximity, well connected infrastructure and the similarity of language and culture between the two countries. However, the number of irregular migrant workers remains high due to the lack of clear legal frameworks, migration policy, difficulties in access to public services, and high administration fees.<sup>6</sup> As a result, irregular migrant workers are more likely to live in poor conditions, accept low wages, be exposed to health hazards, be at risk of human trafficking, and be subject to exploitation and abuse.

To reduce the level of irregular migration, and, with it, the risk of human trafficking and all sorts of exploitation and abuse, the government of Lao PDR has promoted decent working conditions, introduced labor law and increased public awareness of official channels.<sup>7</sup> Since 2002

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<sup>1</sup> Kabmanivanh, Phouxay, Gunnare Malmberg and Aina Tollefsen. *Internal Migration and Socio-Economic Change in Laos*. Volume:7, No:1, 91 - 104, Migration Letter, 2010

<sup>2</sup> Kabmanivanh Phouxay, Gunnare Malmberg and Aina Tollefsen. *Internal Migration and Socio-Economic Change in Laos*. Volume:7, No:1, 91 - 104, Migration Letter, 2010

<sup>3</sup> NERI. Economic Costs and Benefits of Labor Migration: Case of Lao PDR. In H. Julilian, and H. Julilian (Ed.), *Economic Costs and Benefits of Labor Migration in the GMS* (pp. 191-241). Singapore: Institute of Southeast Asian Studies, (2012)

<sup>4</sup> World Bank. *Lao PDR: Poverty headcount ratio at national poverty lines (% population)*. 2012. <http://data.worldbank.org/country/lao-pdr?display=default> (accessed 21 April, 2016)

<sup>5</sup> Ministry of Labor of Thailand. *Labor Statistics Yearbook 2013 and 2014*. Working Paper, Bangkok: Ministry of Labor of Thailand, 2014

<sup>6</sup> ILO. *Review of the effectiveness of the MoUs in managing labor migration between Thailand and neighboring countries*. Working Paper, International Labor Organization, 2015

<sup>7</sup> ILO. *Evaluation Summary "Tripartite Action to Protect Migrants within and from the GMS from Labor Exploitation (TRIANGLE) project*. Working Paper, International Labor Office, 2011-2015

Lao PDR and Thailand have signed a number of MoUs on combating human trafficking, the employment of workers, and public services.<sup>8</sup> In addition, the government of Lao PDR issued decree no. 68/PM in 2002 to develop human capital and provide formal processes for the recruitment of Laotian migrant workers through regular channels. The government also introduced guidelines no. 2417/MLSW and 3824/MLSW in 2002 on the rules and regulations to provide protection, and to outline the rights and responsibilities of employees, employers and recruitment agencies.<sup>9</sup>

This paper presents the status of Laotian regular and irregular migrant workers, the challenges and opportunities, and some policy options. The structure of this briefing note is as follows: Section 2 provides the current situation of Laotian workers; Section 3 discusses the opportunities and challenges; Section 4 draws some policy options; and Section 5 concludes this study.

## 2. Current situation of Labor Migration

In the Greater Mekong Sub-region, migration has taken place for centuries and has tended to increase, particularly to Thailand due to the draw of employment opportunities, fast economic growth and better wages in that country. The MoUs on labor migration between the governments of Lao PDR and Thailand resulted in an increase in the number of registered migrants from 181,614 to 294,000 between 2004 and 2010.<sup>10</sup> However, it is estimated that, in 2004, there were roughly 80,000 to 120,000 undocumented workers, mostly aged between 17 and 25. The figure slightly increased to 324,028 in 2011<sup>11</sup> and then dramatically declined to 190,000 in 2012.<sup>12</sup> Those migrant workers received low wages compared with Thai workers because of their low skills and limited education,<sup>13</sup> weak bargaining power and their irregular status.<sup>14</sup> However, the level of skills and education could be higher now.

The government has tried to increase public awareness on law and basic human rights in order for regular and irregular migrants to get better access to services and to be entitled to pre-training, vocational training, access to registered recruitment agencies and information centers,

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<sup>8</sup> UNIAP. *Strategic Information Response Network: Phase III*. Report on human trafficking data sheet, Vientiane, Lao PDR: the United Nations International-Agency Project on Human Trafficking, March 2008

<sup>9</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Annotated Bibliography*. Bibliography, Mekong Migration Network and Asian Migration Centre, 2009

<sup>10</sup> UNIAP. *Strategic Information Response Network: Phase III*. Report on human trafficking data sheet, Vientiane, Lao PDR: the United Nations International-Agency Project on Human Trafficking, March 2008

<sup>11</sup> Ministry of Labor of Thailand. *Labor Statistics Yearbook 2013 and 2014*. Working Paper, Bangkok: Ministry of Labor of Thailand, 2014

<sup>12</sup> US Department of State. *Human Rights Report 2011 - Laos (2011)*, p. 23. Available from: [www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper](http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper)

<sup>13</sup> However, in 2010, of the 588,561 Laotian migrant workers<sup>13</sup> employed in advanced economy countries, 49 percent, or 294,000, were in Thailand, <sup>13</sup> then 33 percent in the United States, while the figure for France was 8 percent

<sup>14</sup> UNIAP. *"Strategic Information Response Network United Nations Inter-Agency Project on Human Trafficking (UNIAP): Phase III"*. Working Paper, Vientiane: United Nations Inter-Agency Project on Human Trafficking, 2008

e.g. hotlines, and established transit centers in Vientiane Capital to reduce human trafficking activities.<sup>15</sup>

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<sup>15</sup> UNIAP. *Strategic Information Response Network: Phase III*. Report on human trafficking data sheet, Vientiane, Lao PDR: the United Nations International-Agency Project on Human Trafficking, March 2008

**Table 1.** Number of Registered Migrant Workers in Thailand by Sector, Nationality and Gender as of December 2011

Sector	Myanmar				Cambodia				Lao PDR			
	Total	Male	Female	% of Female	Total	Male	Female	% of Female	Total	Male	Female	% of Female
Manual Labor (excluding domestic work)	884,390	492,080	352,310	39.836	228,094	143,400	84,694	37.131	90,518	50,216	40,302	44.524
Fishing	24,902	22,192	2,710	10.883	15,073	13,068	2,005	13.302	1,153	880	273	23.677
Fishery related	96,882	46,193	50,689	52.320	9,149	4,450	4,699	51.361	820	446	374	45.610
Agriculture	174,422	106,756	67,666	38.794	35,882	21,470	14,412	40.165	17,737	10,983	6,754	38.079
Construction	135,473	85,306	50,167	37.031	84,368	54,883	29,485	34.948	12,321	7,722	4,599	37.327
Agriculture related	68,054	42,514	25,540	37.529	10,335	6,067	4,268	41.297	3,493	2,131	1,362	38.992
Abattoirs/Animal Processing	36,726	21,131	15,595	42.463	3,544	2,278	1,266	35.722	1,767	1,019	748	42.332
Recycling	11,981	7,737	4,244	35.423	4,955	3,016	1,939	39.132	1,395	903	492	35.269
Mining	2,245	1,559	686	30.557	289	200	89	30.796	190	145	45	23.684
Metals	17,772	12,122	5,650	31.792	3,687	2,465	1,222	33.143	2,978	1,934	1,044	35.057
Food and drink	38,759	19,949	18,810	48.531	9,340	4,740	4,600	49.251	13,499	4,915	8,584	63.590
Earth products	8,168	4,647	3,521	43.107	956	574	382	39.958	718	425	293	40.808
Construction materials	12,922	8,921	4,001	30.963	2,653	1,821	832	31.361	1,435	1,009	426	29.686
Cutting rock	2,732	1,731	1,001	36.640	366	278	88	24.044	174	114	60	34.483
Garments	63,973	21,995	41,978	65.618	4,423	2,078	2,345	53.018	6,285	2,682	3,603	57.327
Plastic	18,251	10,990	7,261	39.784	3,214	1,839	1,375	42.782	2,670	1,496	1,174	43.970
Paper	3,572	2,268	1,304	36.506	1,253	755	498	39.745	457	237	220	48.140
Electronics	5,080	3,195	1,885	37.106	1,352	839	513	37.944	461	312	149	32.321
Transport	7,664	5,262	2,402	31.341	2,588	1,706	882	34.080	513	323	190	37.037
Import/Export/Vending	37,439	22,854	14,585	38.957	10,089	6,011	4,078	40.420	8,067	4,363	3,704	45.915
Auto repair	5,902	4,241	1,661	28.143	1,221	856	365	29.894	1,646	1,164	482	29.283
Petro stations	3,115	2,016	1,099	35.281	692	403	289	41.763	1,103	742	361	32.729
Educational institutions	1,714	864	850	49.592	248	144	104	41.935	141	68	73	51.773
Other services	66,642	37,637	29,005	43.524	22,417	13,459	8,958	39.961	11,485	6,203	5,292	46.077
Domestic Work	61,183	12,091	49,092	80.238	7,427	1,984	5,443	73.287	16,452	2,948	13,504	82.081
<b>Total</b>	<b>905,573</b>	<b>504,171</b>	<b>401,402</b>	<b>44.326</b>	<b>235,521</b>	<b>145,384</b>	<b>90,137</b>	<b>38.271</b>	<b>106,960</b>	<b>53,164</b>	<b>53,806</b>	<b>50.305</b>

Source: MMN and AMC ( 2013)

Table 1 presents the number and the share of migrant workers in Thailand by sector, gender and country - Myanmar, Cambodia and Lao PDR - in 2011. It shows that migrants from these countries tended to engage in low skilled or unskilled jobs. Domestic work accounted for 82 percent of female Laotian migrants compared with 80 percent and 73 percent for female migrants from Myanmar and Cambodia, respectively. The fishery sector is dominated by male migrants but the percentage of female migrants working in the fishery related sector is slightly higher than that of male counterparts from Myanmar and Cambodia - 51 percent and 53 percent - and only slightly lower (45 percent) for Lao PDR. In the garment sector, the percentage of female migrants was high, especially among those from Myanmar and Lao PDR, 65 percent and 57 percent, compared with Cambodians, 53 percent. The majority of migrant workers are reported to work in poor, dangerous and dirty conditions, and are consequently prone to health issues. This is especially true for migrants who work in the agricultural sector and who are constantly exposed to chemical fertilizers or pesticides<sup>16</sup>. Among that group, female migrants account for 39 percent, 38 percent, and 41 percent of that total, for Lao PDR, Myanmar and Cambodia, respectively.

Tables 2 and 3 present the migrant workers who come to Thailand from Lao PDR, Myanmar, and Cambodia via National Verification, MoUs and in accordance with other regulations ('Promote Investment/Laws'), and those who come via irregular channels, but who acquire work permits in Thailand. While the number of migrants from Myanmar and Cambodia increased between 2009 and 2013, the number of migrants from Lao PDR to Thailand fluctuated during this period. The share of Lao PDR migrants who came via National Verification dropped significantly from 51 percent in 2009 to 4 percent in 2013. In terms of the percentage changes, the number of migrants who came via National Verification increased sharply from 4 percent in 2010 to 77 percent in 2011, and then dropped by 137 percentage points between 2011 and 2012. However, it bounced back to 16.4 percent in 2013. There are a number of reasons behind such a dramatic drop but political instability in Thailand during 2012-2014 that resulted in the deportation of thousands of irregular migrant workers from Myanmar, Cambodia, Lao PDR, and other countries, was the most significant.<sup>17</sup> Table 2 also shows that the share of migrant workers from Lao PDR who came under the MoU agreements dropped from 37 percent in 2009 to 12 percent in 2012 and slightly increased to 15 percent in 2013. The number of migrants from Lao PDR grew by 15 percent in 2010 and 24 percent in 2011 and dropped by 43 percentage points in 2012 probably as a result of the political instability mentioned above. The number of migrants from Lao PDR increased sharply by 125 percent in 2013. This trend suggests that migrants from Lao PDR are more likely to take routes that were regular (National Verification), or based on MoUs, given that the number of irregular migrants (but who went on to acquire work permits in Thailand) dropped by 73 percent in 2012 as a result of the political instability. It is interesting to

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<sup>16</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

<sup>17</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013



note that, in 2011, the number of irregular migrants (but who acquired work permits after migrating) increased by 317 percent, which could be the result of the complicated procedures necessary to acquire regular status before migrating, and the high migration costs.<sup>18</sup>

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<sup>18</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

**Table 2.** National Verification, MoU and Percentage Changes of Migrant Workers from Lao PDR, Cambodia and Myanmar in Thailand, 2009-2013

Year	National Verification						MOU						Promote Investments/Laws		
	Total	Myanmar	Cambodia	Lao PDR			Total	Myanmar	Cambodia	Lao PDR			Total	Male	Female
				Migrants	% Share	% Change				Migrants	% Change	% Share			
2009	77,914	905	37,127	39,882	51.19	-	27,447	-	17,235	10,212	-	37.21	22,562	20,912	1,650
2010	228,411	133,132	53,608	41,671	18.24	4.49	43,032	4,799	26,515	11,718	14.74	27.23	23,245	21,552	1,693
2011	505,238	395,848	62,355	74,035	14.65	77.67	72,356	8,160	49,724	14,472	23.50	20.00	25,817	23,910	1,907
2012	733,603	630,185	73,793	29,625	4.04	-59.99	93,265	18,241	63,405	11,619	-19.71	12.46	29,847	27,593	2,254
2013	847,130	717,167	95,472	34,491	4.07	16.43	174,042	58,158	86,680	26,204	125.52	15.06	35,821	33,039	2,782

Source: Ministry of Labor of Thailand ( 2014)

**Table 3.** Irregular Migrants from Lao PDR, Cambodia and Myanmar who Acquired Work Permits in Thailand, 2009-2012

Year	Irregular by sex			Irregular by country and sex								
	Total	Male	Female	Myanmar		Cambodia		Lao PDR		Total	% Change	
				Male	Female	Male	Female	Male	Female			
2009	1,314,382	723,295	591,087	591,370	487,397	52,980	57,874	78,945	45,816	124,761		
2010	932,255	507,718	424,537	443,601	369,383	29,828	32,964	34,289	22,190	56,479	-54.73	
2011	1,248,064	702,719	545,345	504,171	401,402	53,164	53,806	145,384	90,137	235,521	317.01	
2012	167,881	93,108	74,773	36,500	27,268	18,940	20,764	37,668	26,741	64,409	-72.65	

Source: Ministry of Labor of Thailand ( 2014)

### 3. Opportunities and Challenges of Labor Migration

#### 3.1. Opportunities of Labor Migration

Higher wages and better economic opportunities in Thailand have lured cross-border migrants from Cambodia, Myanmar and Lao PDR. The shift from a low skill base to a high skill base in the Thai labor market could also explain the huge influx of cross-border migrants to Thailand in the last 20 years. This structural change has tipped the balance of the labor market; as a result the Thai private sector have looked to recruit unskilled or low skilled labor from neighboring countries to fill the gap in some industries such as fishing, garment manufacture, domestic work, and agriculture. To cope with the unskilled and low skilled labor shortage and the rising cost of living, Thailand has raised the minimum wage to 300 THB (USD 10) per day (roughly USD 300 per month) for regular workers since 1 April 2012.<sup>19</sup> This compares with the average monthly salary in Lao PDR of 348,000 kip (USD 43) in 2012, which increased to 900,000 kip (USD 112) per month in 2016<sup>20</sup>. Besides these improved wage levels in Thailand, regular migrant workers can access better education for their children, greater civil rights, higher living standards, and adequate health care.<sup>21</sup>

**Table 4.** Average Net Benefits from Labor Migration to Thailand

Items	Regular/registered migrant	Irregular/unregistered migrants
Total costs*	2,292	1,552
Total fixed cost/USD/2 years	626	156
Total variable cost/USD/2 years	1,666	1,396
Income tax (in accordance with Lao taxation law)	210	0
Contribution to social security fund (5% of total income)	162	0
Expenditure on food	710	279
Clothing, footwear, and personal care	394	293
Leisure and recreation	59	167
Communication	131	209
Accommodation	62	126
Transportation	171	126
Medical care	37	70
Electronic goods	11	84
Others	92	42
Total income/USD/2 years	3,252	2,882
Net benefits/USD/2 years	960	1,331
<b>Cost-benefit ratio</b>	<b>0.4</b>	<b>0.8</b>

<sup>19</sup> CleanClothesCampaign. *Key Findings Migrant Report Thailand*. 18 December, 2014. <http://www.cleanclothes.org/news/2014/12/18/key-findings-migrant-report-thailand> (accessed 12 February, 2016).

<sup>20</sup>The Nation. *Laos' new minimum wage may take effect next month: report*. January 19, 2016. <http://www.nationmultimedia.com/business/Laos-new-minimum-wage-may-take-effect-next-month-R-30252182.html> (accessed April 18, 2016)

<sup>21</sup> Huguet Jerry, Aphichat Chamrathirong and Claudia Natali. *Thailand at a Crossroads: Challenges and Opportunities in Leveraging Migration for Development*. Bangkok: International Organisation for Migration Policy Institute. (2012)

**Source:** The estimates from the household survey conducted by the National Economic Research Institute (2012)<sup>22</sup>

Table 4 provides the income, and costs and benefits of regular and irregular workers from Lao PDR. Regular or registered migrants earn higher wages than their irregular counterparts in a two-year period. However, their net benefit is smaller than that of irregular migrants due to greater fixed and variable costs.

Cross-border migration and remittances can also bring socio-economic development to the community of origin.<sup>23</sup> Moreover, they contribute to national revenue increases and poverty reduction in the relevant countries.<sup>24</sup> In 2013, total remittances were estimated to amount to between USD 204 million and USD 258 million, accounting for between 1.9 percent and 2.5 percent of Lao PDR's GDP. Between 50 percent and 75 percent of total remittances went directly to 1.4 million poor families, accounting for 25 percent to 50 percent of their income.<sup>25</sup> This helps many families to afford health care, education and sometimes to invest in, or to start, a business in, say, agriculture or as dealers.<sup>26</sup>

### 3.2. Challenges of Labor Migration

Although, as mentioned before, precise numbers are impossible to determine, it is likely that most Laotian migrants are irregular and they go to Thailand via Savannakhet, Khammuan, and Champasack provinces.<sup>27</sup> However, their irregular status places them at a disadvantage - in inferior conditions, with lower treatment and wages. They tend to be employed in dangerous and dirty jobs (Table 1)<sup>28</sup> and are subject to exploitation, abuse and being trafficked in various forms<sup>29</sup> whether it be sexual or for labor exploitation. Women and children are the most vulnerable in that respect.<sup>30</sup> For example, 44 percent of parents are reported to have lost contact with their children, another 40 percent of children who returned home reported being locked up while they were away, and 13 percent said that they had been raped.<sup>31</sup> In 2008, about 35 percent

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<sup>22</sup> NERI. *Economic Costs and Benefits of Labor Migration: Case of Lao PDR*. In H. Julilian, and H. Julilian (Ed.), *Economic Costs and Benefits of Labor Migration in the GMS* (pp. 191-241). Singapore: Institute of Southeast Asian Studies, (2012)

<sup>23</sup> SDCMekong. *Lao Labor Migration and Remittances Trends and Livelihood Implications*. 2014. <http://www.sdcmekong.org/2014/03/lao-migration-and-remittances/> (accessed 3 January 2016)

<sup>24</sup> IOM. *Migration, Development and Poverty Reduction*. 16 July 2007. <http://www.iom.int./news/migration-development-and-poverty-reduction> (accessed 28 May 2016)

<sup>25</sup> SDCMekong. *Lao Labor Migration and Remittances Trends and Livelihood Implications*. 2014. <http://www.sdcmekong.org/2014/03/lao-migration-and-remittances/> (accessed 3 January 2016)

<sup>26</sup> IOM. *Migrants' Remittances and Development*. 5 June 2006. <http://www.iom.int./news/migrants-remittances-and-development> (accessed 28 May 2016)

<sup>27</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

<sup>28</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

<sup>29</sup> ILO. *Evaluation Summary Tripartite Action to Protect Migrants within and from the GMS from Labor Exploitation (TRIANGLE) project*. Working Paper, International Labor Organization, 2011-2015

<sup>30</sup> UN Women. "In Review of Laws, Policies and Regulations Governing Labor Migration in Asian and Arab States." *Sending Countries: Southeast Asia: Lao PDR*, 2013: 146-238

<sup>31</sup> Human Trafficking. *Lao PDR*. 26 May 2016. [http://www.humantrafficking.org/countries/lao\\_pdr](http://www.humantrafficking.org/countries/lao_pdr) (accessed 28 May 2016)

of trafficked women reported that they had been forced into prostitution, 21 percent of men were forced into factory work and fishing.<sup>32</sup>

About 60 percent of girls aged 12 to 18 who went to Thailand through irregular channels in 2004<sup>33</sup> were not awarded contracts.<sup>34</sup> In Thailand, irregular migrants have to pay high recruitment fees and are forced to accept wage deductions imposed by Thai employers.<sup>35</sup> But the number of irregular migrant workers is estimated to have increased significantly from 80,000 in 2004<sup>36</sup> to almost 125,000 in 2009.<sup>37</sup> According to the International Labor Organization (ILO), this is due to the fact that “informal means are more flexible, more efficient, and less expensive than formal ones.”<sup>38</sup> Tables 4 and 5 provide the variable and fixed costs of migration from household surveys. As the tables show, regular migrants have to pay USD 626 more than irregular ones so that, in 2012, irregular migrants received greater net benefit - USD 1,331 compared with regular migrant workers, USD 960. This helps to explain the ongoing prevalence of irregular migration. Even though it is difficult for irregular migrants to get jobs and work permits, they pay costs of only around roughly USD 80-95 through informal channels. In contrast, workers who migrated through regular channels paid at least USD 645-800<sup>39</sup> between 2009<sup>40</sup> and 2012.<sup>41</sup> Therefore, despite the higher wages, regular migrants were still worse off than their irregular counterparts as a result of high administration and other fees.

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<sup>32</sup> MLSW and UNICEF. *Broken Promises Shattered Dreams: A Profile of Child Trafficking in the Lao PDR*. Working Paper, Ministry of Labor and Social Welfare (MLSW) and United Nations International Children's Emergency Fund (UNICEF), 2004

<sup>33</sup> MLSW and UNICEF. *Broken Promises Shattered Dreams: A Profile of Child Trafficking in the Lao PDR*. Working Paper, Ministry of Labor and Social Welfare (MLSW) and United Nations International Children's Emergency Fund (UNICEF), 2004

<sup>34</sup> Chantavanich, Supang. *The Mekong Challenge: An Honest Broker, Improving Cross-Border Recruitment Practices for the Benefit of Government, Workers and Employers*. Bangkok: International Labor Organization, 2008

<sup>35</sup> Phetsiriseng, Inthasone. *"Gender Concerns in Migration in Lao PDR" Migration Mapping Study: A Review of Trends, Policy and Programme Initiatives*. Working Paper, Vientiane: United Nations Development Fund for Women (UNIFEM), February, 2007.p.7

<sup>36</sup> UNIAP. *Strategic Information Response Network: Phase III*. Report on human trafficking data sheet, Vientiane, Lao PDR: the United Nations International-Agency Project on Human Trafficking, March 2008

<sup>37</sup> Kabmanivanh, Phouxay, Gunnare Malmberg and Aina Tollefsen. *Internal Migration and Socio-Economic Change in Laos*. Volume:7, No:1, 91 - 104, Migration Letter, 2010

<sup>38</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

<sup>39</sup> This administration fee is not specified only for Laotian migrant workers. However, the total amount may differ from the estimates above which are based on various sources of information. Furthermore, formal channels *do not necessarily ensure better paying jobs or enhanced levels of protection*

<sup>40</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

<sup>41</sup> CleanClothesCampaign. *Key Findings Migrant Report Thailand*. 18 December 2014

<http://www.cleanclothes.org/news/2014/12/18/key-findings-migrant-report-thailand> (accessed 12 February 2016)

**Table 5.** Average Fixed Costs of regular Labor Migration

Items	Cost/USD\$
In Lao PDR	489
Passport	42
Health examination	17.8
Thai multiple-entry visa*	156
Work permit card for Lao workers abroad	2.3
Training*	15.6
Travelling	47
Interest and service cost for recruitment company*	208
In Thailand	137
Medical check-up	19
Work permit card for 2 years in Thailand	118
<b>Total</b>	<b>626</b>

**Source:** The estimates from the household survey of the National Economic Research Institute (2012).<sup>42</sup>

\* These expenditures might be paid in different amounts and places according to the means/channels migrants have chosen. For example, the fee (for the recruitment agency which could be Lao or Thai) must be paid at the Thai border if the workers migrated by themselves. This table covers only Laotian migrant workers who migrated to Thailand through recruitment agencies and then in line with official procedures in Thailand or through middlemen.

Although Thailand has provided greater access to basic rights and social services, improved labor law and increased the minimum wage, in reality migrants seem to work longer hours and get paid wages that are only 60 to 70 percent of those paid to Thai workers for the same job description and the same levels of productivity.<sup>43</sup> In addition, the majority of them are still able only to access poor social services and healthcare. The prevalence of general vulnerability, as well as transmittable diseases (HIV/AIDS), was found to be high among Laotian migrant workers and especially those who had been trafficked.<sup>44</sup> Moreover, only 12 to 17 percent of children were enrolled in school because of social rejection, unaffordable tuition fees and the language barrier.<sup>45</sup>

#### 4. Policy Options

In the past decade the government of Lao PDR has tried to promote regular migration through various legal and diplomatic means - such as migration law embedded in the Labor Law,

<sup>42</sup> NERI. Economic Costs and Benefits of Labor Migration: Case of Lao PDR. In H. Julilian, and H. Julilian (Ed.), *Economic Costs and Benefits of Labor Migration in the GMS* (pp. 191-241). Singapore: Institute of Southeast Asian Studies, (2012)

<sup>43</sup> Pitayanon, Sumalee. "Chulalongkorn Journal of Economics." *Migration of Labour into Thailand* (Chulalongkorn University ) 13 (May 2001): 1-43

<sup>44</sup> MLSW and UNICEF. *Broken Promises Shattered Dreams: A Profile of Child Trafficking in the Lao PDR*. Working Paper, Ministry of Labor and Social Welfare (MLSW) and United Nations International Children's Emergency Fund (UNICEF), 2004

<sup>45</sup> Revenga, Ana and Pierre Yves-Fallavier, Jannica Larrison, and Carmen De Paz Nieves. *Labor Migration in the Greater Mekong Subregion*. Synthesis Report: Phase I, UN Working Group, 2006.p.58

decrees, regulations, and MoUs - to reduce the level of irregular migration and increase the wellbeing of migrants. However, the number of irregular migrants has continued to rise, albeit at a lower rate between 2009 and 2013. In addition, it is believed that the registered workers (recorded in the tables above) might account for less than half the undocumented migrant workers from Lao PDR who have been working in Thailand since 1996: as mentioned before, it is difficult to accurately estimate the total number of irregular migrant workers.<sup>46</sup> Fixed and variable costs plus complicated procedures are most likely to be the reason behind this irregular migration. Reducing fixed and variable costs, and complicated procedures, could facilitate legal migration. This study has drawn upon various existing policy options that could still be practical and applicable for policy-makers to consider. These policy options are as follows:

- Reduce fixed and variable costs (e.g. income tax) to a level at which regular migrants can achieve the highest net benefit from migration.
- Reduce complicated procedures and time consuming processes.
- Impose greater monitoring and examination systems/procedures in respect of recruitment agencies.
- Stipulate clear-cut contract standards between recruitment agencies and migrant workers in both the country of origin and the receiving countries in order to strengthen safe channels.<sup>47</sup>
- Provide job counseling, advisory services, information and advice to support a better understanding of labor rights, contracts and obligations.<sup>48</sup>
- Prioritize job opportunities in the country for sustainable development through skills training and capacity building.
- Provide labor/social welfare staff members or units at village level, or at local authority level, especially where the majority of Lao women migrants come from.<sup>49</sup>
- Promote awareness about safe migration at community level where people are most vulnerable.<sup>50</sup>

## 5. Conclusion

Cross-border migration, especially to Thailand, has been phenomenal in the past few decades due to economic opportunities and higher wages after the 1986 economic reform in Lao PDR. However, in the last two decades irregular migration has been pervasive because it is

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<sup>46</sup> MMN and AMC. *Migration in the Greater Mekong Subregion Resource Book In-depth Study: Border Economic Zones and Migration*. Bangkok: Mekong Migration Network and Asian Migrant Centre, 2013

<sup>47</sup> CDRI. *Costs and Benefits of Cross-Country Labor Migration in the GMS: Synthesis of the Case Studies in Cambodia, Laos, Thailand and Vietnam*. Working Paper, Phnom Penh: Cambodia Development Resource Institute, 2009

<sup>48</sup> Nishimoto, Tomoko. *Analytical Report on the International Labor Migration Statistics Database in ASEAN: Improving data collection for evidence-based policy-making*. Working Paper, International Labor Organization, 2015

<sup>49</sup> Phetsiriseng, Inthasone. *"Gender Concerns in Migration in Lao PDR" Migration Mapping Study: A Review of Trends, Policy and Programme Initiatives*. Working Paper, Vientiane: the United Nations Development Fund for Women (UNIFEM), February, 2007

<sup>50</sup> Changpitikoun, Syvongsay. *Factors Influencing Child Workers' Migration from Lao PDR to Thailand and its Consequences: A Case Study of Child Domestic Workers*. Thesis, Bangkok: Chulalongkorn University, 2008

easier, faster and less expensive than the regular alternative. Moreover, irregular migrants can earn relatively high wages, which give them access to better education, a higher social status and superior health services. At the other extreme, Laotian irregular migrants are subject to exploitation, abuse and being trafficked, especially if they are women or children. In 2012, Lao PDR was classified as a source of human trafficking. According to the US State Department, female migrant workers in Thailand, Malaysia and China were reported to be forced to work in the sex industry. In addition, the UN Women's Country Programme indicates that from 2001 to 2011 more than 1,500 trafficked victims, the majority of them under the age of 18, were repatriated from Thailand.<sup>51</sup>

Consequently, the government of Lao PDR has promulgated laws, decrees, guidelines and regulations as well as mounting public awareness campaigns about labor law, and the labor rights and benefits of taking regular channels, to enable migrant workers to access social services and to be eligible for legal protection in both countries of origin and host countries. Lao PDR always tries its best to combat human trafficking and protect migrants through various legislative measures and cooperation with GMS countries. It provides training for officers, increases public awareness about labor law and basic human rights, and has established transit centers for trafficked persons.<sup>52</sup> At the same time, other development partners such as the Women's Union and Agir pour les Femmes en Situation Précaire have provided shelter, counseling, vocational training, education and legal assistance.<sup>53</sup>

Although the government has set out a number of policies, regulations, laws, and MoUs, irregular migration continues and migrants are still subject to exploitation, physical and psychological abuse, and being trafficked. This research has touched upon various issues especially the challenges that both regular and irregular migrants face and has come up with policy options that could fill the existing policy gaps and make an indirect contribution to the wellbeing of Laotian migrants in Thailand. It is worth noting that within the existing policy framework, almost all good policies have been crafted in order to support security and strengthen safe channels of migration.<sup>54</sup>

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<sup>51</sup> UN Women. "In Review of Laws, Policies and Regulations Governing Labor Migration in Asian and Arab States." *Sending Countries: Southeast Asia: Lao PDR*, 2013: 146-238

<sup>52</sup> US Department of State. *Trafficking in Person on Report: Lao PDR*. 2012. [www.state.gov/j/tip/rls/tiprpt/2012](http://www.state.gov/j/tip/rls/tiprpt/2012) (accessed 8 February, 2016)

<sup>53</sup> UNIAP. *Strategic Information Response Network: Phase III*. Report on human trafficking data sheet, Vientiane, Lao PDR: the United Nations International-Agency Project on Human Trafficking, March 2008

<sup>54</sup> CDRI. *Costs and Benefits of Cross-Country Labor Migration in the GMS: Synthesis of the Case Studies in Cambodia, Laos, Thailand and Vietnam*. Working Paper, Phnom Penh: Cambodia Development Resource Institute, 2009



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