

MEA 12MP Kick-Off Conference



Future of Work and Labour Migration

12th Malaysia Plan Kick-off Conference
July 1-4, Putrajaya Marriott Hotel.

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Outline



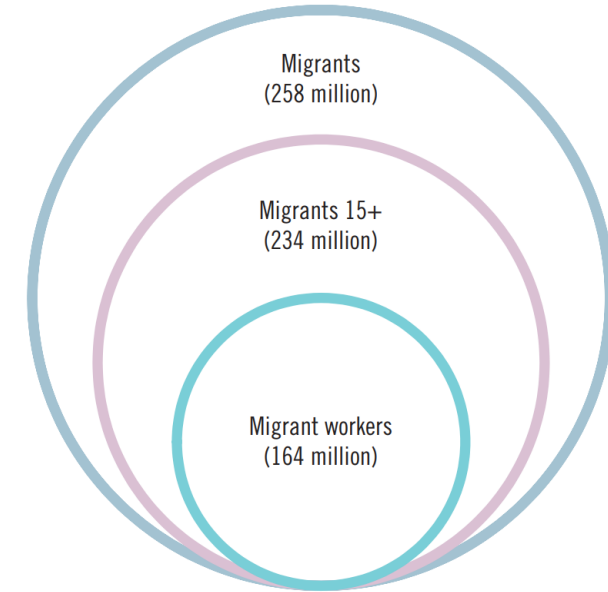
- Trends in the stocks, flows of labour migrants in Asia.
- Key policy challenges relating to the future of work.
- Some considerations for labour migration policy in Malaysia.



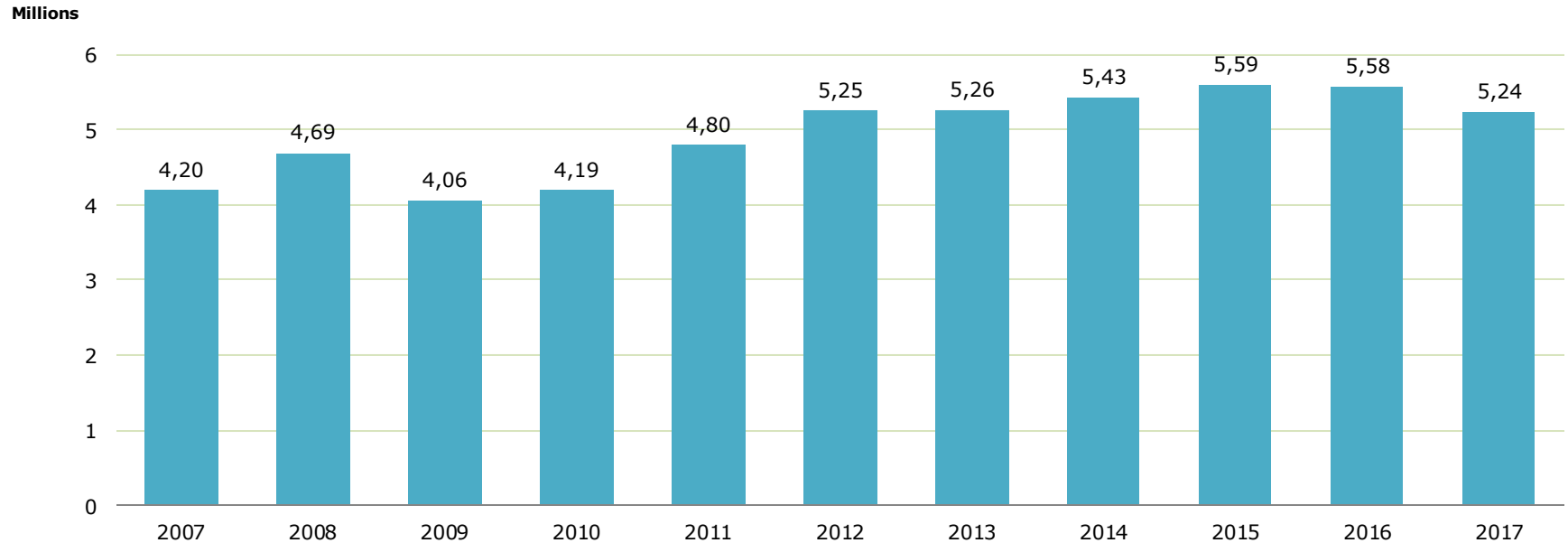
Global estimates of migrant workers (ILO)



- 258 million international migrants UNDESA estimates.
- Migrant workers (working age who are economically active) – 164 million or 64 per cent.
- 58% men and 42% women.
- Asia-Pacific hosts 20.4 percent.
- Arab States host 14% - most from Asia.



Workers outflow from selected Asian countries (2007-2017)



Note: Total of twelve countries presented in this figure.

Source: ADBI-OECD-ILO, 2019.

ASEAN Labour migration trends



Employment of migrant workers in 4 ASEAN destination countries

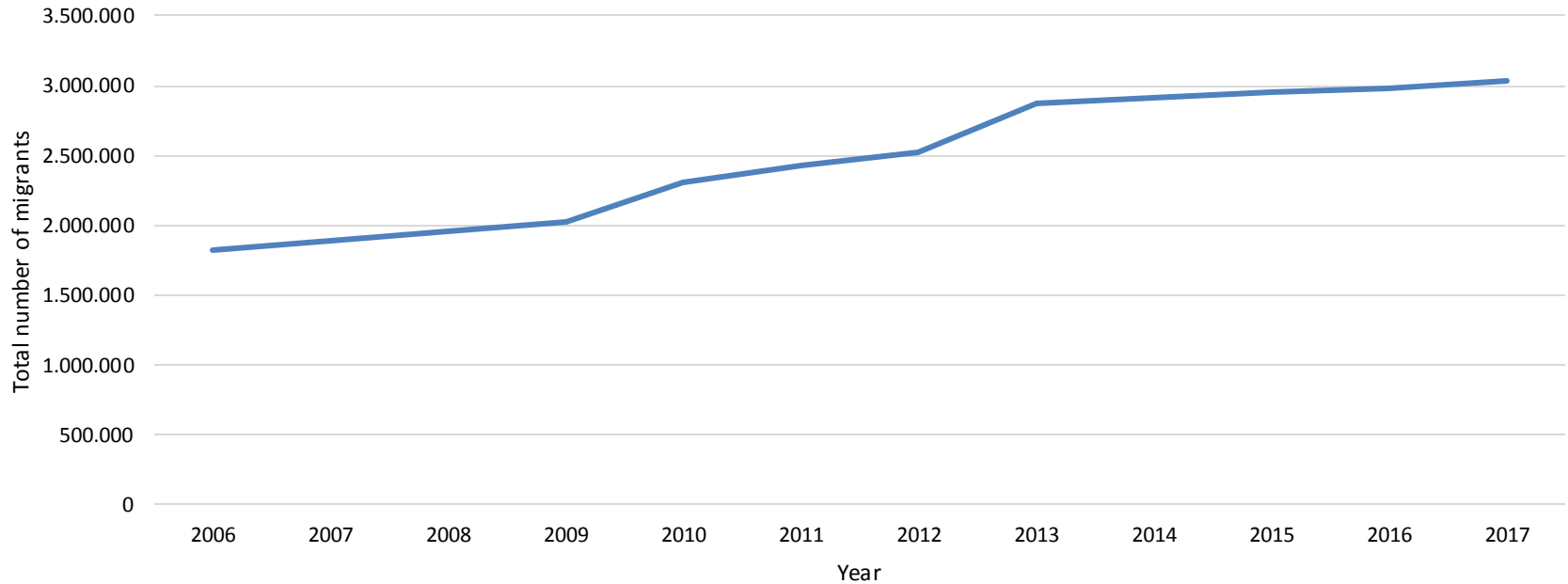
Country	Migrant Workers Stock		
	Total	% from ASEAN	% of women
Brunei Darussalam (2014)	52 161	79.5	35.8
Malaysia (2017)	2,235,400	50.4	29.1
Thailand (2017)	2 062 807	91.2	N/A
Singapore (2017)	1,368,000	N/A	N/A

Note: N/A indicates data not available.

Source: ASEAN ILMS, ILO 2018.

Malaysia Migration Trends

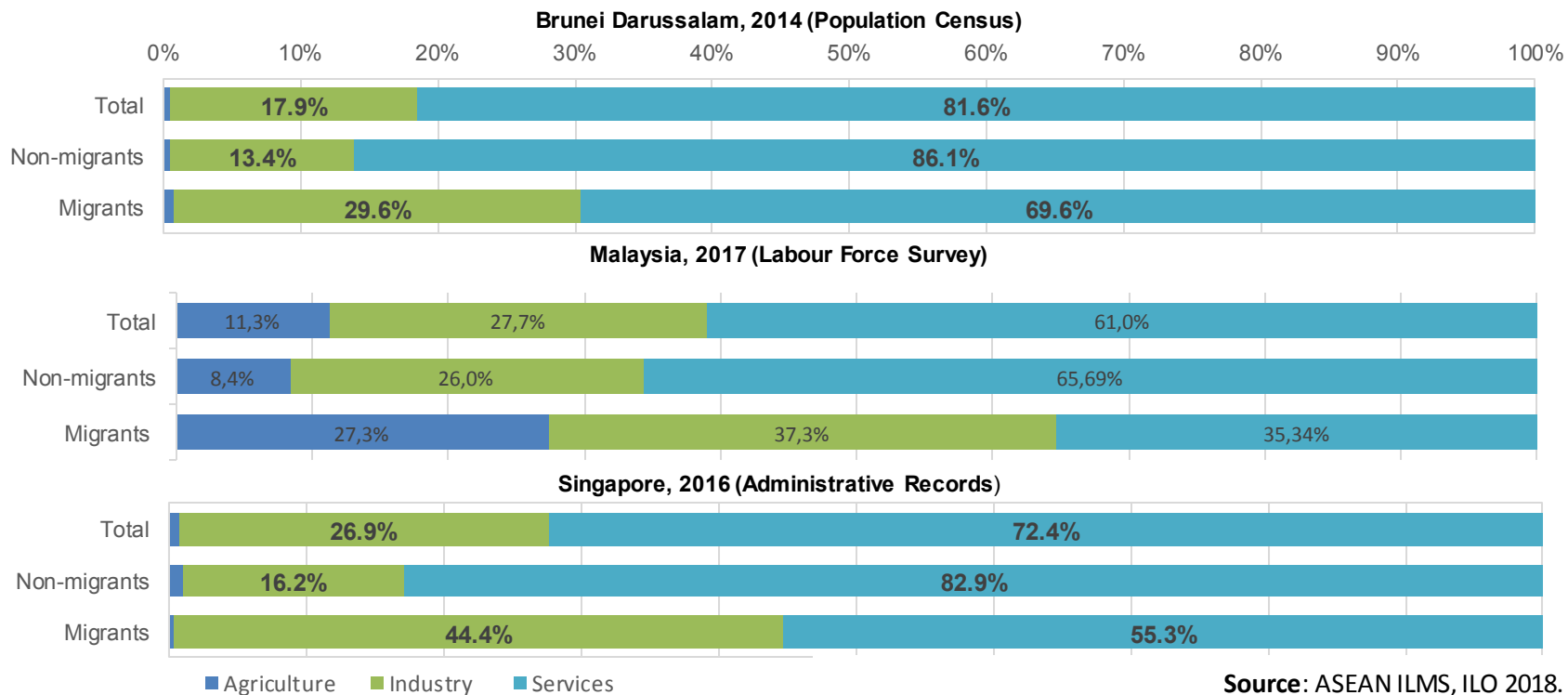
Total Number of Migrants in Malaysia



Source: ASEAN ILMS (2017), based on Malaysia's Labour Force Survey data.

ASEAN Labour migration trends

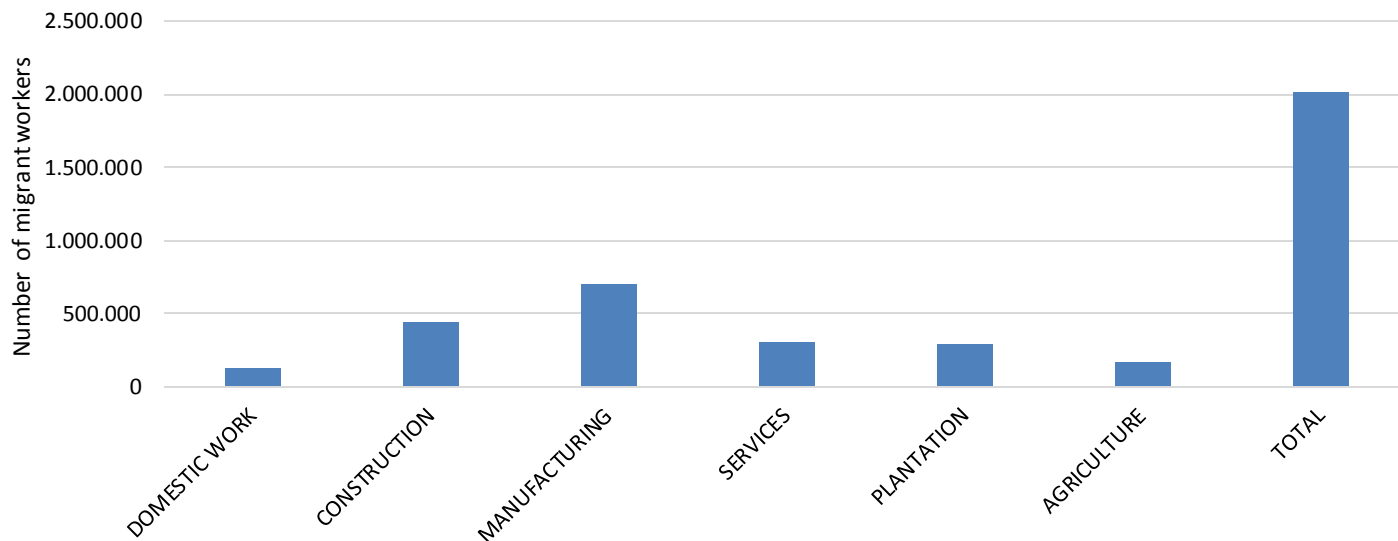
Employment by economic activity in 03 ASEAN Member States



Source: ASEAN ILMS, ILO 2018.

Malaysia Labour Migration Trends

Registered Foreign Workers in Malaysia, by sector

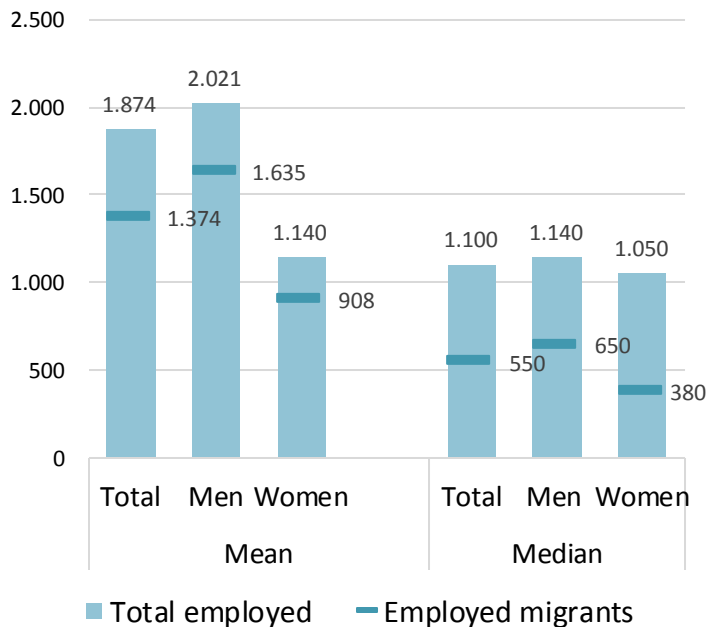


Source: Labour Department, Ministry of Human Resources, 2018.

ASEAN Labour migration trends

Average and median monthly wages in 02 selected migration corridors

**Brunei Darussalam, 2014
(Population Census)**



**Malaysia, 2017
(Labour Force Survey)**



Source: ASEAN ILMS, ILO 2018.

Labour market/overall impacts - Malaysia



Migrants seem to fill jobs that are complementary.

- Increase of migrant workers between 1990-2010 associated with the additional employment of nationals; also wages for nationals have generally increased, especially for those educated beyond primary level - Ozden and Wagner (2014).
- The presence of foreign workers has reduced production costs and stimulated exports, creating more jobs for nationals (World Bank, 2013).

Negative impacts?

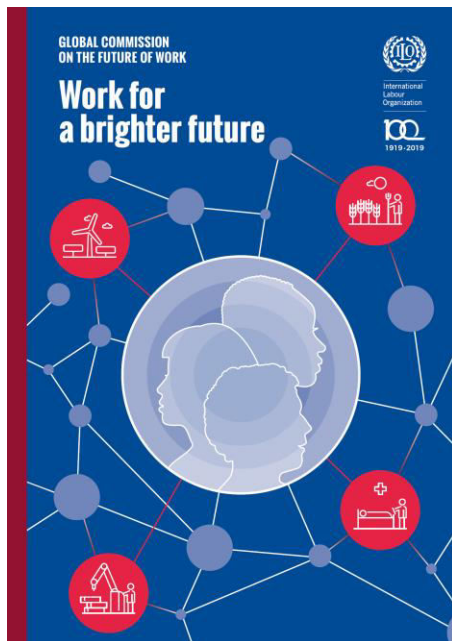
- Study has found that migrants in the manufacturing sector have a role in depressing wages, but this role is marginal.

Impact on productivity – Do inflows of low skilled migrants substitute for investment in technological innovations and improvements?

2. Future of Work



- Global Commission Report and ILO Centenary Declaration on the Future of Work.



ILO Centenary Declaration for the Future of Work, 2019

The International Labour Conference, meeting in Geneva at its One Hundred and Eighty-Session on the occasion of the Centenary of the International Labour Organization (ILO).

Considering that the experience of the past century has confirmed that the continuous and concerted action of governments and representatives of employers and workers is essential to the achievement of social justice, democracy and the promotion of universal and lasting peace;

Acknowledging that such action has brought historic advances in economic and social progress that have resulted in more humane conditions of work;

Considering also that persistent poverty, inequalities and injustices, conflict, disasters and other humanitarian emergencies in many parts of the world constitute a threat to those advances and to securing shared prosperity and decent work for all;

Recalling and reaffirming the aims, purposes, principles and mandate set out in the ILO Constitution and the Declaration of Philadelphia (1944);

Underlining the importance of the ILO Declaration on Fundamental Principles and Rights at Work (1998) and the ILO Declaration on Social Justice for a Fair Globalization (2008);

Moved by the imperative of social justice that gave birth to the ILO one hundred years ago, and the conviction that it lies within the reach of the governments, employers and workers of the world to reinvigorate the Organization and shape a future of work that realizes its founding vision;

Recognizing that social dialogue contributes to the overall cohesion of societies and is crucial for a well-functioning and productive economy;

Recognizing also the importance of the role of sustainable enterprises as generators of employment and promoters of innovation and decent work;

Reaffirming that labour is not a commodity;

Committing to a world of work free from violence and harassment;

Underlining also the significance of promoting multilateralism, particularly in shaping the future of work that we want and in dealing with the challenges of the world of work;

Calling upon all constituents of the ILO to reaffirm their unwavering commitment and to reinvigorate their efforts to achieve social justice and universal and lasting peace to which they agreed in 1919 and 1944; and

Desiring to democratize ILO governance by ensuring a fair representation of all regions and establishing the principle of equality among member States;

Adopts this ... day of June of the year two thousand and nineteen the present ILO Centenary Declaration for the Future of Work.

- 22 January 2019: Launch of **Global Commission Report**.
- 21 June 2019: Adoption of **ILO Centenary Declaration**.

2. Future of Work

➤ **Key challenges** (Global Commission on the Future of Work, 2019) include:

1. Technological advances – AI, automation and robotics – will render some jobs obsolete and create new ones.

In the automotive & auto parts sector over 60% of salaried workers in Indonesia and 73% in Thailand face high risk of automation (ILO, 2016).



2. Future of Work

➤ Key challenges (continued):

2. Unchanged, the digital economy (digital labour platforms) is likely to widen inequalities.
3. The expanding population of young persons in some regions is set to increase migratory pressures.
4. Ageing populations will place additional strain on social security and health systems.



3. Key considerations – on Labour Migration

Admission policies

- There is global competition for skilled workers.
- Admission for work is often employer led but governments have to react.
- Importance of reliable labour market information.
- There are several ways that governments can respond e.g. generalised labour market test and sector wide quotas; levy and enterprise based quotas linked to nationals employed.
- Need to reduce migration costs and time.

3. Key considerations – on Labour Migration

Fair recruitment and decent work

- Move towards eliminating worker-paid recruitment fees and costs.
- Consider engaging with public placement agencies in countries of origin.
- Establish labour and social protection for domestic workers equal to other sectors.
- Allow job changes for migrant workers in shortage sectors.



3. Key Considerations – on Labour Migration

- **Reduce undocumented labour migration:** including through an effective regularization.
- **Foster more positive public attitudes towards migrant workers in line with their contributions.**

Thank you

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