

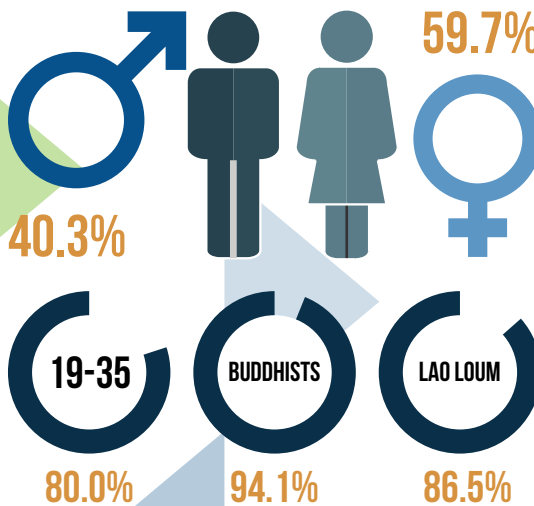
# ASSESSING POTENTIAL CHANGES IN THE MIGRATION PATTERNS OF LAOTIAN MIGRANTS AND THEIR IMPACTS ON THAILAND AND LAO PEOPLE'S DEMOCRATIC REPUBLIC

2016

## INTRODUCTION AND SAMPLING PROFILE

In 2015 – 2016, IOM Thailand implemented a comprehensive research study, in partnership with the Asian Research Center for Migration (ARCM) of Chulalongkorn University, funded by the Government of Switzerland through the Swiss Agency for Development and Cooperation (SDC), to research the situations of Lao migrants in Thailand and the effects of migration on poverty reduction in Lao People's Democratic Republic.

The research comprised 1,209 quantitative interviews with Laotian workers in Thailand, 148 interviews with returned workers in Lao People's Democratic Republic, and 160 qualitative interviews with Laotian workers, Thai employers, government officers and civil society representatives in Thailand including Bangkok, Samut Sakhon, Nonthaburi, Songkhla, Khon Kaen, Udon Thani, Nong Khai, Nakhon Ratchasima and Ubon Ratchathani provinces.



The 1,209 respondents comprised 59.7% female and 40.3% male. Almost 80% of both female and male respondents were aged 19 – 35 years old.

The significant majority of respondents (94.1%) were Buddhists.

The significant majority were Lao Loum (86.5%), with smaller numbers of Lao Terng and Lao Soong (Highland).

Almost three-quarters of the respondents came from areas bordering Thailand (72%), with the highest proportion of respondents coming from Champasak (33.2%), Vientiane (21.8%), and Savannakhet (10.3%).

Over 70% were active within four broad sectors, namely manufacturing (28.9%); food and beverage sales (20.2%); general labour (12.3%); and general services (10.0%).

The proportion of female workers was found to be highest in domestic work (95.9%), and was also significantly higher in food and beverage sales; services; wholesale and retail trade; garment production and sales; and fishery related sectors. The proportion of male migrants was found to be significantly higher in labour work; agriculture and husbandry; and industrial production and sales. Roughly equal proportions of male and female migrants worked in construction and manufacturing.

This four-page infographic brochure presents key findings in relation to wages, remittances, skills and return prospects. Findings on other aspects can be found in the full report at <http://th.iom.int>

## WAGES AND EMPLOYMENT

The average monthly wage was approximately 9,800 THB per month for male migrants and 9,400 THB per month for female workers. There was a significant proportion of migrants (28.3%) who reported receiving less than the daily minimum wage. Those migrants with no documentation were more likely to receive less than minimum wage, but there were still significant proportions of documented migrants receiving less than the minimum wage.

### Recommendation:

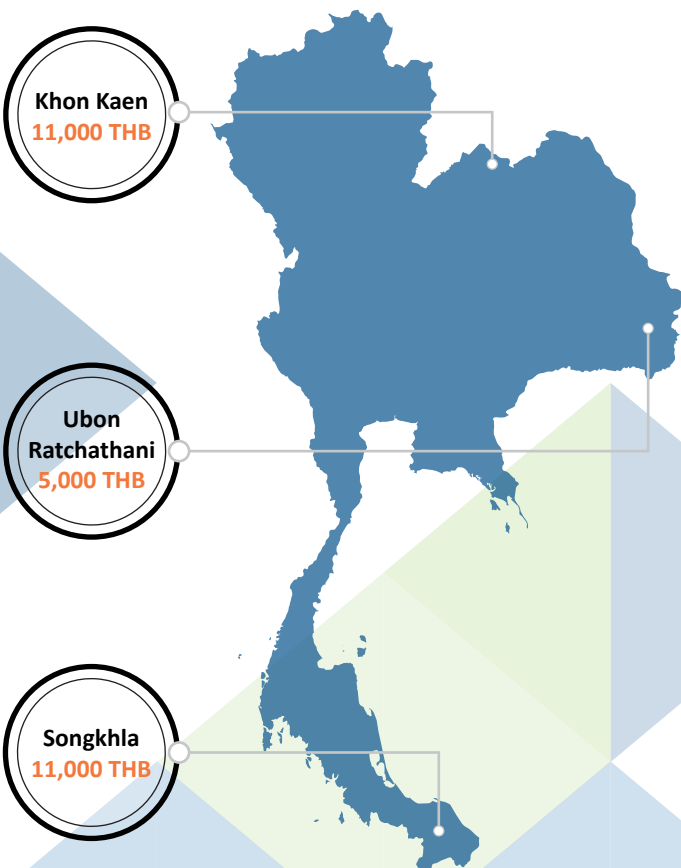
The Government of Thailand should take concerted steps to ensure that all employers pay their migrant workers at least the minimum wage and ensure strict sanctions for those who do not do so, which is important not only in terms of ensuring a protected and productive workforce, but also given the significant labour shortages that Thailand faces and will continue to face in the future.

The highest monthly wages were seen in the manufacturing sector, which also had the highest levels of documentation. The manufacturing sector could therefore be seen as a comparatively better sector to work in for 'low-skilled' migrant workers.

### Recommendation:

The Government of Lao People's Democratic Republic could consider promoting out-migration for work in specific sectors, for example, the manufacturing sector – given the comparatively higher wages in this sector, the significant skills migrants gain from working in the sector, and the potential relevance of the sector for further economic development in Lao People's Democratic Republic.

The study revealed surprisingly large discrepancies in wages among Laotian workers across different provinces of Thailand, ranging from just over 5,000 THB per month in Ubon Ratchathani to over 11,000 THB in Songkhla and Khon Kaen.



### Recommendation:

Migrants should be provided with clear information on work and salary prospects in Thailand prior to the decision to migrate, including potential variances across geographical areas and sectors, in order to best equip the Laotian migrant workforce with the knowledge they need to make informed migration decisions (including on province of destination and sector of work) and reduce their potential vulnerability to exploitative practices.

The study revealed the importance of personal and social networks in securing employment opportunities for Laotian migrant workers in Thailand.

### Recommendation:

Efforts to promote access to decent employment, protection and skills development among migrant workers should incorporate a specific focus on building on and further strengthening the personal and social networks enjoyed by Laotian migrants, including utilizing technology where appropriate to promote access to information, rights and services amongst the Laotian migrant community in Thailand.

Female migrant workers on average earned lower wages than males (both daily and monthly), further emphasizing the need to promote gender equality in Thailand and encourage employers to treat male and female workers equally.

### Recommendation:

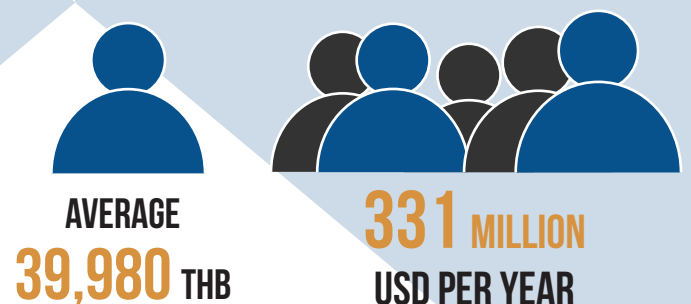
The Government of Thailand should consider promoting employer-based equal opportunity initiatives such as entrepreneurial training and skills development for female migrant workers, as well as personnel policies that incorporate diversity and equal opportunity priorities.

## REMITTANCES

Most of the respondents remitted money to their families regularly, with 44.9% remitting every month and 20.5% remitting every 2-3 months. The vast majority of migrants (91.6%) viewed remittances as very important or important as a key source of income for their families in Lao People's Democratic Republic. 65.7% thought that migration overall had a positive impact on their home communities. The average remittance amount was 39,980 THB per year, totaling 331,098,368 USD per year, based on the total estimated number of documented Laotian migrant workers in Thailand.

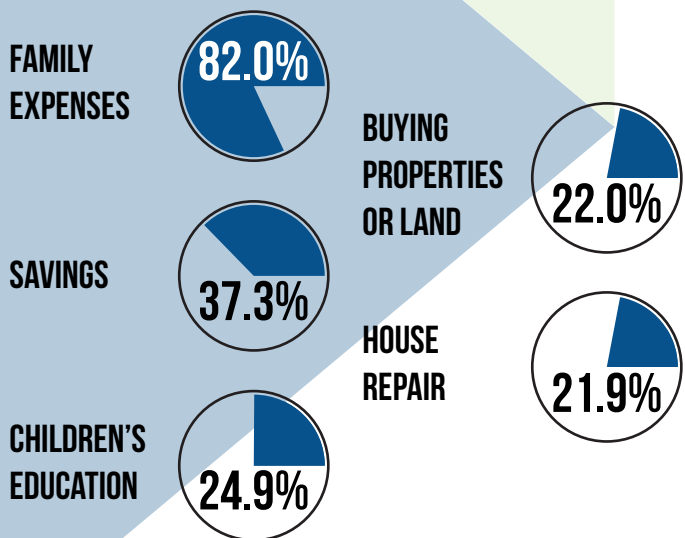
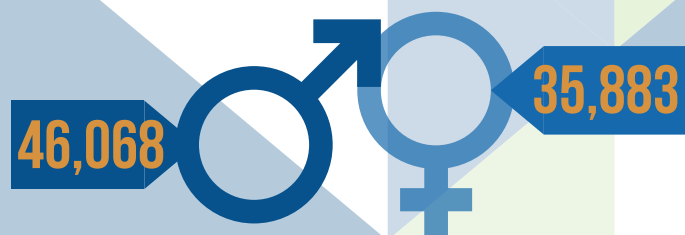
91.6%

THOUGHT OF REMITTANCES AS A  
KEY SOURCE OF INCOME FOR THEIR FAMILIES



Males remitted 46,068 THB per year on average, and females 35,883 THB per year. This is likely explained by the fact that more males than females had families and children in Lao People's Democratic Republic to support.

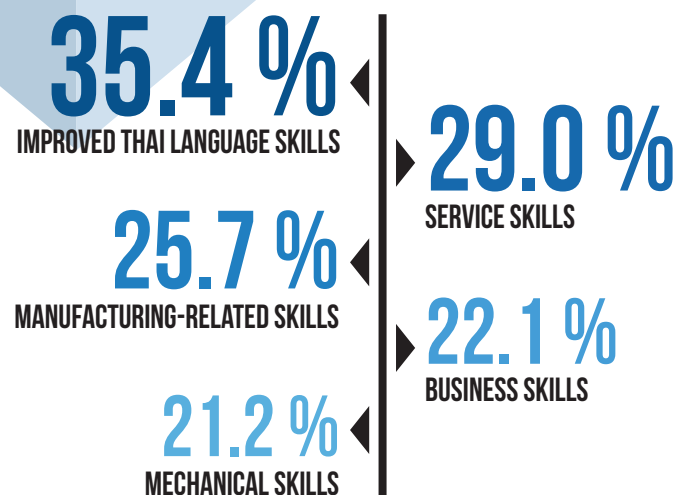
## AVERAGE LEVELS OF REMITTANCES (THB)



The top 5 utilizations of remittances were: family expenses (82%), savings (37.3%), children's education (24.9%), buying land or properties (22.0%) and house repair (21.9%).

## SKILLS DEVELOPMENT OPPORTUNITIES

More than 80% of all respondents obtained skills in Thailand. The largest proportion (35.4%) reported obtaining improved Thai language skills from working in Thailand; followed by service skills (29.0%); manufacturing-related skills (25.7%); business skills (22.1%); and mechanical skills (21.2%); while smaller proportions acquired agricultural skills and management skills.



### Recommendation:

The Government of Lao People's Democratic Republic should put in place mechanisms to recognize the skills gained during the migration experience, and where appropriate – to certify these skills upon return, as well as mechanisms for returning migrant workers to be able to further develop and channel these skills productively in order to contribute towards social and economic development of Lao People's Democratic Republic.

### Recommendation:

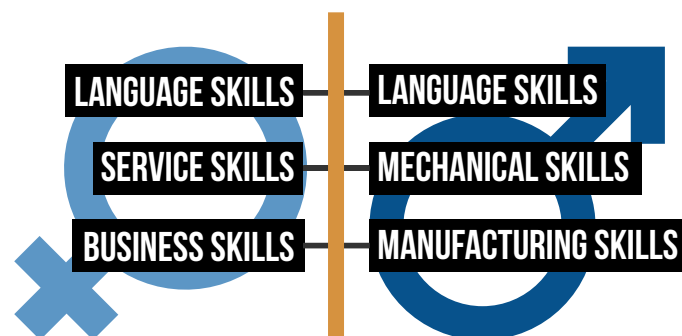
Given the high developmental potential of remittances, the Laotian Government should work together with its partners to encourage cheaper and easier access to financial services and remittances among families and communities in Lao People's Democratic Republic, particularly among rural areas, as well as educating households on how remittances can be used productively. The Government could also consider providing incentives for migrants sending remittances, or returning migrants, to put their financial capital towards business start-ups or other initiatives that would boost the economic and social development of Lao People's Democratic Republic.

There were significant fees associated with sending remittances through the various channels, including by bank transfer (typically in the range of 3-10%).

### Recommendation:

The fees charged by banks and other institutions for sending remittances should be capped at a reasonable level far below the current practice in order to increase the amount of remittances reaching families and households in Lao People's Democratic Republic. Similarly, given the challenges significant proportions of migrants faced in accessing financial services, promotion of access to financial services should form a core component of outreach activities and pre-departure (or post-arrival) training programs for migrant workers in Thailand.

The top three skills that female migrants obtained from working in Thailand were language skills, service skills and business skills while male migrants obtained mechanical skills, language skills and manufacturing skills.



### Recommendation:

Skills development programming should build upon the sectors in which better employment opportunities and conditions are most clearly associated with improved skills (including the agricultural and manufacturing sectors) with the aim of equipping Laotian migrant workers to become more able to meet the demand for skills in these sectors. Skills training programmes should also be gender-sensitive as the research revealed significant differences in the types of skills that male and female migrant workers expressed interest in.



Males reported to a greater extent than females (62.6% vs 47.5%) that the skills they gained in Thailand enabled them to find a better job. Migrants in the manufacturing sector expressed the strongest belief that the skills they had gained had either helped them find a better job in Thailand or would help them find a good job upon return to Lao People's Democratic Republic.



However, less than half of the respondents expressed interest in further skills training, with the primary reason being that they did not have time.

**Recommendation:**

Skills development programming for migrant workers (both pre-departure and in-service while in Thailand) should focus particularly on women migrant workers, and develop a clear monitoring and evaluation mechanism to understand what impact skills training has on male and female migrant workers' employment prospects and conditions, and the reasons for the differences.

## RETURN PROSPECTS

Around half of the Laotian migrant workers interviewed stated that they had not yet planned to return home to Lao People's Democratic Republic while of those who were considering return, the majority had no timeframe in mind.

**Recommendation:**

The Government of Thailand should recognize this reality and ensure that those migrants who wish to stay and continue contributing to Thailand's economy should be given the opportunity to do so in regular status, for example, through some for adjusted immigration status, which would recognize the longer-term contributions that migrant workers make to the Thai economy and support the development of an environment to maximize the positive contributions of migrant workers to Thailand.

Around one third of workers stated that the increase in the minimum wage in Lao People's Democratic Republic would strongly affect their decision on whether to return to Lao People's Democratic Republic.

The vast majority of those who expressed their wish to return wanted to do so to be with family and friends and intended to return to their home towns/communities.

**Recommendation:**

The Government of Lao People's Democratic Republic should take further measures to incentivize migrant workers to return to Lao People's Democratic Republic and contribute to the social and economic development of their home communities and develop a clear strategy for supporting and empowering returning migrant workers to do so.

## POLICY RECOMMENDATIONS

Given the strong linkages between out-migration and poverty reduction among communities of origin, as further evidenced by this study, the Laotian Government should incorporate migration into its national social and economic development planning, to provide a solid policy basis on which the various benefits associated with migration, including flows of financial capital, skills, knowledge, and ultimately – returning migrants, can be more comprehensively understood and evaluated, and specific policy mechanisms put in place to harness these benefits.

The Laotian and Thai Governments should continue dialogue to implement a streamlined, efficient and cost-effective regular migration channel under the MOU, in order to promote more orderly, regular and safe migration of Laotian migrants to Thailand. In particular, this dialogue should consider ways in which the time and costs required for migrants to go through the regular channel can be reduced by eliminating or minimizing the number of steps involved, drawing on international good practices from similar bilateral labour migration arrangements.

The Government of Thailand should consider at least two new policies on labour migration management, namely, expanding the sectors and skill levels in which migrant workers can work, and providing greater flexibility in changing of employers, which would have the effect of ensuring Thai employers have access to a wider pool of appropriately skilled and qualified migrant workers who will continue to fill the demand for labour in the Thai labour market; supporting efforts to ensure as high a proportion of migrant workers as possible remain in regular status; and encouraging a more open "marketplace" of ethical recruitment and employment.

Fully documented migrants enjoyed easier access to services, including health-care and banking services, and higher wages, further emphasizing the importance of providing passports and work permits to all migrants in Thailand and allowing frequent opportunities for registration and regularization of irregular migrants in Thailand.

International Organization for Migration (IOM) Thailand Country Office

18th Floor Rajanakarn Building, 183 South Sathorn Road, Sathorn District, Bangkok 10120,

Thailand

Web: <http://th.iom.int> | Tel: +66.2 343 93 00 |

Fax: +66.2 343 93 99, +66.2 286 18 18

