Migration and Remittances:

Review of Intraregional and International Mobility in the ASEAN Region and Japan[1]

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1. Introduction

Migration flows have been increasing in recent decades and are playing a crucial role in economic integration at both the global and regional levels, notably in Asia. According to the Asian Development Bank Institute (ADBI) (2013), in 2010, about 13% of the world migrant population lived in Asian countries along with 60% of the world's population. Moreover, about one in three migrants come from developing countries in Asia. In particular, intraregional migration within Southeast Asia, where ASEAN member countries are integrated into the global economy, is significant [Asis and Piper, 2008]. Research on migration has been developed on the premise of South-North migration; however, South-South migration (migration between developing countries) is now larger than migration from the South to high-income countries, as shown in Table 1 [World Bank, 2016]. Although the region is comprised of some of the largest labor surplus countries and, at the same time, has experienced dynamic growth in the last few years, we see new patterns and more complex flows of migration in this region both in terms of intraregional and international movement.

Table 1　Global migrant stock estimates (2013)

	Migrants Living in			
Migrants from	South (millions)	North (millions)	South (% of total migrants)	North (% of total migrants)
South	93.1	84.3	38%	34%
North	14.2	55.7	6%	23%
Total	107.3	140.0	43%	57%

Source: World Bank (2016), p. 11
Note: Definition of the "North" and the "South" in this chart follows UN classifi cation.
According to the UN, the term "North" refers to countries or regions traditionally classified for statistical purposes as "developed," while the term "South" refers to those classified as "developing." The developed regions in clude Europe and North America plus Australia, New Zealand, and Japan.

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In terms of international migration to the Organisation for Economic Co-operation and Development (OECD) countries, the main focus has shifted to Asia, and Japan has become one of the receiving countries. In fact, more than 80% of immigrants in Japan come from Asia with Japan being highlighted as one of the top 10 destinations for workers from these countries. These include the Philippines, Thailand, and Vietnam from the ASEAN member countries [Japan Immigration Association, 2016]. Considering that the ASEAN is currently deepening its regional economic integration, Japan would be one of the beneficiaries of the expansion of economic opportunities in view of the liberalization of trade in goods and services, and mobility of labor could also be a key component in relation to the openness of the labor market in Japan.

This paper explores key questions in this context: What is currently known about the diversity of intraregional and international migration, which has been rapidly increasing in Asia, in particular, in ASEAN member countries both temporally and spatially? Furthermore, in terms of the issues generated by migration flows, we need to explore how this will impact immigration flows to Japan.

2. Economic Trends in ASEAN

The ASEAN member countries account for 8.5% of the population of the world, and the region has experienced dynamic growth even after the financial crisis of 2008 (Table 2). However, income per capita varies among the countries, from Cambodia's US$1,020 to Singapore's US$55,150. While this region is of vast size and cultural, ethnic, political, religious, and economic complexity [Lian et. al, 2016], its wide income gap is still a strong incentive, in terms of both push and pull factors, to drive a complex and interwoven labor movement with lower costs such as transportation.

Table 2 Population and economy in ASEAN (2014)

country	total population (millions)	populatoin growth (avg. annual %, 2005 −14)	unemployment rate (2014)	GNI (current US$ billions, 2014)	GNI per capita (current US$, 2014)	GDP growth rate (2011 −14)
Brunei D.	0.4	1.6	3.8	15.1	37,320	0.1
Cambodia	15.3	1.6	0.4	15.6	1,020	7.2
Indonesia	254.5	1.3	6.2	923.7	3,630	5.7
Lao PDR	6.7	1.7	1.4	11.1	1,660	8.0
Malyasia	29.9	1.7	2.0	332.5	11,120	5.4
Myanmar	53.4	0.7	3.3	68.1	1,270	8.4
Philippines	99.1	1.6	7.1	347.5	3,500	5.9
Singapore	5.5	2.7	3.0	301.6	55,150	4.2
Thailand	67.7	0.3	0.9	391.7	5,780	3.0
Vietnam	90.7	1.1	2.3	171.9	1,890	5.7
total	623.2	—	—	2,578.8	—	—
percent ASEAN of total	8.5	—	—	3.2	—	—

Source: World Bank

3. Recent Migration trend in ASEAN

While no annual intra-ASEAN labor flow data is available for all countries, the general perception is that the labor movement trend has been increasing year-over-year [ADBI & OECD, 2013]. The ADBI-OECD conference on labor migration in 2011 provided a glimpse into recent intra-ASEAN labor migration, as shown in Table 3. Migration between intra-ASEAN members has increased over the years. In 2011, intra-ASEAN outward migration accounted for 32.08% of total migration in the world. On the other hand, the share of inward migration was much higher at nearly 60%, which suggests that intra-ASEAN migration is occurring between neighboring countries in the ASEAN economic community.

ASEAN member countries can be roughly differentiated into countries that are primarily sending countries (outward migration): Indonesia, Lao PDR, Myanmar, the Philippines, and Vietnam; countries that are primarily receiving countries (inward migration): Brunei D. and Singapore; and, countries where both inward and outward flows are significant, resulting in net migrant recipient countries: Malaysia and Thailand. Cambodia[2] is a receiving country within the ASEAN region; most immigrants

[2] Cambodia's migrant statistics are somewhat complicated. According to the World Bank (2016), the stock of emigrants

come from Thailand and Vietnam. However, in terms of the total migration, Cambodia is also a sending country, whose destination targets are primarily OECD countries such as the United States, France, and Australia.

Indonesia, the Philippines, and Vietnam are of the largest labor exporting countries in the world. As an export strategy, the Philippines sends its nationals worldwide to countries including the Middle East, the United States, Canada, Malaysia, and Japan. Emigrants from Indonesia are drawn to the Middle East, Malaysia, Bangladesh, Singapore, and even the Netherlands. Outward migration from Vietnam is mostly to OECD countries including the United States, Australia, Canada, Germany, and France. Singapore is a receiving country, mostly from Asia including Malaysia, China, Indonesia, and India. Malaysia also generally receives immigrants from Asia, including from Indonesia, the Philippines, Bangladesh, and Thailand, and sends emigrants to Singapore, Bangladesh, and other OECD countries. Thailand has symmetrically two-way flows; it receives immigrants from Myanmar, the Lao PDR, Cambodia, and China, and sends laborers mostly to OECD countries other than Malaysia, as shown in Table 3 [Pasadilla, 2011].

This country overview suggests that intra-ASEAN labor mobility is asymmetrical and interwoven through the sending and receiving countries. This could be a reflection of country income levels, which vary from high- to low-income, as seen in Table 2. Additionally, a characteristic of labor migration is the inclusion of destination countries for outward migration such as the Middle East and OECD countries. Overall, the international labor movement, especially outward flow, in Asia and ASEAN member countries began with the developments in the oil-rich Gulf countries in the 1970s, and the rise of newly industrialized countries in the Far East and Southeast Asia in the 1980s [Lian et al., 2016].[3]

(outward migrants) whose destination countries are Thailand and OECD countries is 1,118.9 thousand, and the stock of immigrants (inward migrants) from Vietnam and Thailand is 75.6 thousand. Therefore, Cambodia is apparently also a sending country.

[3] Obviously, not only economic reasons, but, of course, political, social, and historical reasons would have driven international migration in the ASEAN region, however, such discussion is beyond this paper.

Table 3 Intra ASEAN migraion and its share to world migration (2011)

	Intra-ASEAN			Total migration			Share of Intra-ASEAN to total migration (%)	
	Outward migration	Inward migration	Ratio of outbound/ inbound	Outward migration	Inward migration	Ratio of outbound/ inbound	Outward migration	Inward migration
Brunei D.	9,313	120,578	0.08	24,343	148,123	0.16	38.26	81.4
Cambodia	53,722	320,573	0.17	350,485	335,829	1.04	15.33	95.46
Indonesia	1,518,687	158,485	9.58	2,504,297	397,124	6.31	60.64	39.91
Lao PDR	82,788	10,134	8.17	366,663	18,916	19.38	22.58	53.58
Malyasia	1,195,566	1,882,987	0.63	1,481,202	2,357,603	0.63	80.72	79.87
Myanmar	321,100	814	394.47	514,667	98,008	5.25	62.39	0.83
Philippines	335,401	9,096	36.78	4,275,612	435,423	9.82	7.84	2.09
Singapore	122,254	1,162,960	0.11	297,234	1,966,865	0.15	41.13	59.13
Thailand	262,721	448,218	0.59	811,123	1,157,263	0.70	32.29	38.73
Vietnam	221,956	21,511	10.32	2,226,401	69,307	32.12	9.97	31.04
Total	4,123,508	4,135,356	1.00	12,852,027	6,984,461	1.84	32.08	59.21

Source: Pasadilla (2011) based on migration data from http://go.worldbank.org/JITC7NYTT0. Accessed 23 February 2011

4. The Area of Remittances in the Region

In the international migration literature, remittance flows to developing countries are considered to be a key component of economic development in labor sending countries. Emigrants from ASEAN countries sent US$57.23 billion to their home countries in 2014, around 10% of total remittances worldwide (Table 4). On the other hand, immigrants in ASEAN countries sent US$42.2 to their home countries, around 4% of total remittances. According to the World Bank (2016), remittances to the Philippines, which sends workers to the Middle East and OECD countries, is the top remittance recipient among ASEAN countries, with it comprising 9.6% of its GDP, supporting domestic consumption, a key source of economic growth, as well as keeping its current account in surplus. Remittances sent from overseas workers back to Vietnam, the second top recipient among ASEAN members, comprised 6.4% of its GDP in 2015 and has boosted its local businesses and real estate markets; about 70% of remittance inflows to Ho Chi Minh City went into production and business, and about 22% to the real estate sector [World Bank, 2016]. Thailand shows an interesting profile because it receives more remittances in spite of being a net receiving country.

Table 4 Remittances in ASEAN (2014)

country	stock of emigrants as % of population	inward remittance US$ milllions	stock of immigrants as % of population	outward remittance US$ milllions
Brunei D.	10.5	—	50.1	—
Cambodia	7.4	377	0.5	219
Indonesia	1.6	8,551	0.1	4,119
Lao PDR	19.7	60	0.3	69
Malyasia	5.7	1,573	8.2	8,074
Myanmar	5.9	3,103	0.2	773
Philippines	6.2	28,403	0.2	183
Singapore	5.2	—	43.0	—
Thailand	1.5	5,655	6.7	3,118
Vietnam	2.9	12,000	0.1	—
Total ASEAN	—	59,722	—	16,555
Total World	—	572,300	—	422,000
persent ASEAN of total	32.08	10.44	59.21	3.92

Source: World Bank

5. The impact of ASEAN migration on Japan

Although we have seen the growth of intraregional and international mobility of labor over the years in numbers and remittances, Japan continues to see an increase in migrant workers from ASEAN member countries (Table 5). Though foreign workers in Japan account for only 1.7% of its total population,[4] the number has been increasing since the 1980s when Japan experienced a serious labor shortage during the so-called bubble economy. Since that time, the Japanese government introduced Japanese-descendent Brazilians and Peruvians as unskilled workers[5] to meet the demand for labor. However, these labor pools were hit the hardest by the financial crisis of 2008, showing a 44.5% and 20.1% decline, respectively, in 2015. On the other hand, there has been an increase of roughly 50% of foreign workers from ASEAN members in the period 2008 to 2015, comprising up to

4 Japan does not receive unskilled workers legally, restricting labor mobility and selecting which type of labor is needed. Therefore, legal work visas are issued only to skilled workers such as professors, engineers, and business managers. In the literature, the foreigners who work in Japan have sometimes been referred to as "foreign residents" or "foreign workers" rather than "immigrants."

5 Their status of residence has been designated as long-term residents, which allows them to work as unskilled workers.

22% of total foreign residents (Figure 1). Many of them have come to Japan under the status of "trainee," which was introduced in 1981 in order to transfer Japanese technology to developing countries.[6]

Table 5 Foreign residents by Nationality in Japan

		2008	2012	2015	share (%)	change in 2008–2015 (%)
China		655,377	652,595	665,847	29.8	1.6
Korea		589,239	530,048	457,772	20.5	− 22.3
ASEAN	Brunei D.	31	41	57	0.0	83.9
	Cambodia	2,572	2,862	6,111	0.3	137.6
	Indonesia	27,250	25,532	35,910	1.6	31.8
	LaoPDR	2,630	2,521	2,592	0.1	− 1.4
	Malyasia	8,291	7,848	8,738	0.4	5.4
	Myanmar	7,789	8,046	13,737	0.6	76.4
	Philippines	193,426	202,985	229,595	10.3	18.7
	Singapore	2,604	2,136	2,501	0.1	− 4.0
	Thailand	42,609	40,133	45,379	2.0	6.5
	Vietnum	41,136	52,367	146,956	6.6	257.2
ASEAN Total		328,338	344,471	491,576	22.0	49.7
Brazil		312,582	190,609	173,437	7.8	− 44.5
Peru		59,723	49,255	47,721	2.1	− 20.1
Others		272,167	266,678	395,836	17.7	45.4
Total		2,217,426	2,033,656	2,232,189	100.0	0.7

Source: M inistry of Justice

6 There has been criticism that the reality of this "trainee" status is really a kind of rotation system that invites cheap, unskilled foreign workers (Kondoh, 2017) for the construction, agriculture, and fishing industries, characterized by hard work and low-wages.

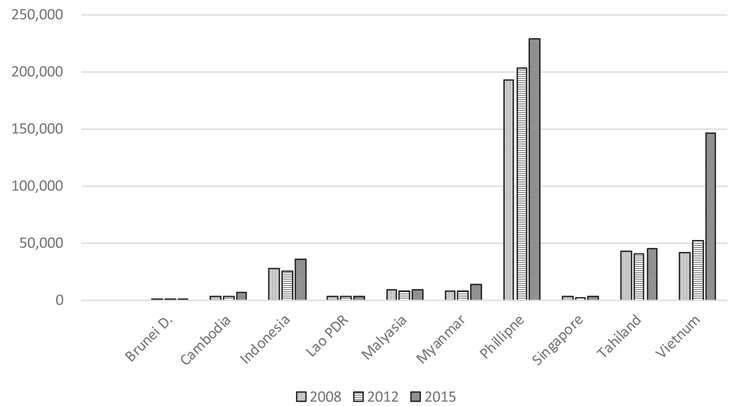

Figure 1 Change in the number of foreign residents from ASEAN countires in Japan (Source: Ministry of Justice)

In terms of remittances from immigrants in Japan to ASEAN countries, this does not comprise a large portion of total remittances, as shown in Table 6, reflecting that Japan is low on the list of destination countries. However, ASEAN member countries in total are the third largest recipient of remittances from Japan, following China and Korea.

Table 6 Outward remittances from Japan by recipients (US$ Million)

		2012	share (%)	2015	share (%)	change in 2012–2015 (%)
China		4,314	38.4	4,191	47.3	− 2.9
Korea		3,137	27.9	1,704	19.2	− 45.7
ASEAN	Brunei D.	—	—	0	—	
	Cambodia	2	—	2	—	
	Indonesia	86	0.8	66	0.7	− 23.3
	Lao PDR	1	—	0	—	
	Malyasia	7	—	9	0.1	
	Myanmar	—	—	0	—	
	Philippines	1,138	10.1	1,003	11.3	− 11.9
	Singapore	—	—	0	—	
	Thailand	220	2.0	236	2.7	7.3
	Vietnam	162	1.4	180	2.0	11.1
ASEAN Total		16	14.4	1,496	16.9	− 7.4
Brazil		1,168	10.4	599	6.8	− 48.7
Peru		158	1.4	131	1.5	− 17.1
Others		855	7.6	746	8.4	− 12.7
Total		11,248	100.0	8,867	100.0	− 21.2

Source: World Bank

As the ASEAN member countries progress towards economic integration in the region where movement of goods, services, and capital is liberalized, the ASEAN member countries have become important partners to Japan; the total two-way trade between ASEAN members and Japan has expanded exports and imports, accounting for around 15 % of Japan's overall trade figures in 2014 [ASEAN-Japan Centre, 2017]. Conversely, trade with Japan accounts for 9 % of ASEAN's total trade figures in the same year, which makes Japan the second largest trading partner of ASEAN members, following China.

As we have shown, the region has relied on labor mobility within ASEAN and other OECD countries including Japan. According to the current literature, Japan has already concluded an Economic Partnership Agreement (EPA) with Indonesia in 2008, the Philippines in 2009, and Vietnam in 2014 involving the introduction of nursing care workers [Japan Ministry of Foreign Affairs, 2017]. While the number of those who have been accepted has been quite small thus far due to the strict conditions and qualifications needed to obtain the nursing licenses as well as language skills required by the Japanese government[7], labor mobility between Japan and ASEAN members is an essential issue in terms of the liberalization of the trade of goods and services.

6. Concluding remarks

This paper discusses the diversity of intraregional and international integration that has been rapidly increasing in Asia. Specifically, 10 ASEAN member countries were examined in terms of migration and remittance patterns to answer our research question regarding what is currently known about the movement of labor and associated remittances in this region of the world. We find that intraregional interdependence through trade liberalization has paralleled the liberalization of labor mobility within the region. Our investigation also answered our questions regarding the intraregional interdependence's impact on Japan and Japan's economic relationship with ASEAN members in terms of trade and investment liberalization, including the signing of EPAs. Our findings indicate that while the impact of the integration of ASEAN members on Japan seems to be small in absolute figures in terms of migration and remittances at this stage, the labor movement trend from ASEAN countries to Japan has been increasing in recent years. One possible suggestion is that such movement could substitute for the Japanese descendent Brazilians, about half of whom have left after losing their jobs in 2008. Japan might also benefit by receiving trainees from ASEAN members as unskilled labors, utilizing the liberalization of the trade of goods and services with the ASEAN member countries.

Based on these insights, further tasks need to be explored that include discussions on an institutional framework for labor movement and each state's migration policies in the medium and long term. Considering that the ASEAN region supplies labor not only within the region but also to

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[7] Japan has accepted more than 2,000 applicants in this category since 2008 from these three countries, however, more than 50 % have failed to pass the examination to be qualified as nurses and care workers (Japan Ministry of Health, Labour and Welfare, 2016).

OECD countries, even non-OECD ones such as the Middle East, and their remittances to home countries constitute a considerable portion of GDP, multi-level and bilateral-levels of well-governed cooperation could facilitate economic progress in the ASEAN community in terms of utilization of human resources. At the same time, as this paper does not discuss migration issues in terms of labor skills and working visa legal status, how should we approach the problem of illegal migration, especially of unskilled labors going forward? What is a possible direction to manage labor flow to build win-win cooperation with the liberalization of trade? Japan should contribute to the process of building such schemes and infrastructure in cooperation with ASEAN members as we move towards greater integration in the region.

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Abstract

After the declaration in 1967 launching its establishment, the Association of Southeast Asian Nations (ASEAN) accelerated economic growth in the region through the liberalization of trade in goods and services. Concomitantly with trade liberalization, new research has focused on the mobility of labor within ASEAN, which aims to liberalize their movement under the ASEAN Economic Community (AEC) established in 2015. Therefore, this paper aims to explore key questions in this context: What is currently known about the movement of labor and associated remittances in this region of the world? Additionally, what does this mean for Japan? Our examination shows that the diversity of intraregional and international migration has been rapidly increasing in terms of worker movements and associated remittances in this region. Moreover, although the impact on Japan is relatively small in absolute figures, Japan has become one of the destinations for workers from ASEAN in parallel with its extensive involvement in ASEAN trade. Furthermore, this paper points to issues generated by migration flows in terms of skills and legality of immigrants.