

MIGRANT WORKERS AND  
THE ASIAN ECONOMIC CRISIS:  
TOWARDS A TRADE UNION POSITION

edited by  
**Norbert von Hofmann**

Friedrich-Ebert-Stiftung  
Office for Regional Activities in Southeast Asia

## CONTENTS

<b>Preface - <i>Norbert von Hofmann</i></b>	<i>i</i>
<b>Trade Unions and Migrant Workers - Prevailing Conditions</b>	
Migrant Workers and Trade Unions in Southeast Asia: An Overview and a Framework for a Comparative Study <i>Than Chua</i>	1
Conditions in Bangladesh <i>Syed Sultan Uddin Ahmed</i>	9
Conditions in the Philippines <i>Albert S. Yuson</i>	12
<b>Beyond the Economic Price Tag - Examining the Hidden Potentials of Migrant Workers</b>	
Thailand and the Illegal Migrant Workers: An Economic and Social Perspectives <i>Voravidh Charoenlert</i>	18
The Situation in Singapore <i>Evelyn Wong &amp; Mathew Wong</i>	23
<b>The Potential for Co-operation: Overcoming the Barriers of National Boundaries</b>	
Global Commitments of the International Federation of Building and Wood Workers (IFBWW) <i>Balan Nair &amp; Albert S. Yuson</i>	25
Experiences of the Korean Confederation of Trade Unions (KCTU) <i>Kim Yu Jin</i>	30
Experiences of the German IG Metall <i>Manuel Campos</i>	39
<b>Conference Resolution</b>	46
<b>About the Contributors</b>	48

## **PREFACE**

by

**Norbert von Hofmann**

International migration is not a new phenomenon. However the rapid increase of migratory activities in the modern age is closely related to the supply and demand of labour. As trade and capital movement between countries continues to expand, so does labour mobility. The economic development over the last two decades has precipitated an enormous increase in labour migration in Asia. According to the International Labour Organization (ILO), between six and seven million Asians are working outside their home countries. Each year, there are some two million workers legally leaving their countries.

The continuous rise in migrant workers is directly caused by unbalanced development within the region. While almost all Southeast Asian countries import and export some labour, one can generally divide these countries as net labour importers or net labour exporters. Countries like Singapore and Malaysia are two of the largest net labour importers in Southeast Asia. The rest of the Southeast Asian nations are active exporters of labour. Although a large number of Thai workers work overseas, by the 1990s Thailand, too, has become a host for many migrant workers from Burma, Bangladesh, Laos, Cambodia and China.

Labour migration is sometimes characterized as a form of exchange that is mutually beneficial to the countries concerned. To the government of the sending country, it helps relieve domestic unemployment and is seen as a source of foreign exchange earning. To the receiving country, migration provides a source of cheap labour that can keep wages low and the growth rate high.

The workers' perspective in all this, however, seldom gets mentioned. To the migrants, working abroad might mean an opportunity to get employment and to earn higher incomes. Unfortunately many have become victims of abuse, discrimination, violence, industrial accidents, diseases, and even detention and deportation. While local laws and bilateral agreements ostensibly protect migrant workers, often they are full of loopholes and open to abuse. Moreover, employers and governments show little interest to implement or to initiate effective measures to protect migrant workers.

For the trade unions, the issues of migrant workers present a complicated dilemma. On one hand, the aim of trade unions is to protect all workers and to stand in solidarity with workers whose rights are being violated. On the other hand, many local workers perceive migrant workers as a threat to their job security.

The presence of migrant workers can also be used to undermine the bargaining strength of trade unions. As migrants are often prevented from unionization (due to fear of persecution by employers or restrictive regulations by host governments), employers can easily exploit this vulnerability to suppress wages and working conditions. For all these reasons, union attitudes towards migrant workers have been rather ambiguous.

Migrant workers have again become a controversial issue in the recent economic crisis. With the sudden economic downturn, many fast growing countries are now

cutting back on various economic activities especially in the construction sector which has traditionally employed a large number of migrant workers. To reduce local unemployment and the outflow of foreign exchange, governments of host countries have resorted to retrenching migrant workers and curbing migrant inflows. Drastic actions such as deportation and imposition of stiff penalties have also been introduced to deter the influx of workers.

On the supply side, an economic crisis also means increased hardship, poverty and unemployment among the lower classes in sending countries. This will again add pressure for out-migration. Such circumstances will inevitably aggravate tension and competition between local workers and migrants.

In view of the far-reaching implications of the subject, the Friedrich-Ebert-Stiftung with the support of the Labour Resource Centre organized a regional conference on migrant workers. The conference was a channel for unionists in the region to meet and to exchange their respective views on the issues with an aim to initiate the process of developing a common trade union analysis and strategy to tackle the problems.

The conference was held in Bangkok, in November 1998. It was attended by representatives from local trade unions and national centres from Burma, Cambodia, Malaysia, the Philippines, Singapore and Thailand as well as from Germany, South Korea and Bangladesh, regional representatives of international trade secretariats (FIET, ICEM and IFBWW) and, researchers and advocates from various concerned organizations such as the ILO, NGOs and the Vietnamese Ministry of Labour.

Prior to the conference, the Labour Resource Centre in Kuala Lumpur developed a questionnaire, which was forwarded to trade unions in Singapore, Thailand, Indonesia, Malaysia, Vietnam and the Philippines. The paper by Tian Chua reflects the outcome of this survey.

Syed Sultan Uddin Ahmed from Bangladesh and Albert S. Yuson from the Philippines look at Migrant Workers from the perspective of labour exporting countries, whilst Evelyn Wong and Mathew Wong from Singapore are at the receiving end. Dr. Voravidh Charoenlert describes the situation in Thailand, a country both exporting skilled labour while simultaneously importing unskilled labour from neighbouring countries.

The final chapter looks at possible solutions to the problems surrounding migrant workers. The IFBWW has at its 20<sup>th</sup> Congress made the issue a major target of their world-wide activities. Manuel Campos from IG Metal in Germany and Kim Yu Jin from the Korean Confederation of Trade Unions provide excellent examples of how to integrate foreign workers in the trade unions of their host countries.

During the discussions in the plenary and the working groups three major issues emerged.

1. The situation of the Migrant Workers has until now hardly been a matter of priority for national trade union centres in Southeast Asia. The reasons are:
  - the organizational weaknesses of most national centres in SEA.
  - the missing legal framework to organize foreign workers.
  - the lack of interest on the part of foreign workers to join trade unions.
  - the distrust existing on both sides.

One participant concluded as follows: "This conference clearly shows the failings on the side of trade unions. We have left this matter to NGOs which are presently dominating the area of 'Migrant Workers'."

2. How to deal with the question of illegal or undocumented workers? Most trade unions distinguish clearly - like their Governments or the ILO - between the two groups. However it was noted, that the number of illegals is in most countries hardly smaller compared to the legal ones and as far as their contributions to the economy is concerned, both groups are of equal importance.
3. Most governments in the region consider the issue of Migrant Workers as a temporary matter. The official position is: If the foreign workers are not needed any more, they will return to their home countries.

The participants at the conference however accepted that the issue of Migrant Workers is not a temporary matter, but a structural problem which has to be seen in the context of globalisation. In particular, the participant from the Burmese Trade Union made it very clear that the vast majority of Burmese workers in Thailand (most of them undocumented or displaced persons) have no intention of returning to Burma, regardless of the political developments in this country.

This brochure reflects the desire of trade unions in Southeast Asia to give more priority to the issue of Migrant Workers. This is clearly reflected in the 'Resolution' which was passed by all participants at the end of the conference and which is seen to be a reference for further discussions on that matter.

Friedrich-Ebert-Stiftung would like to thank the Labour Resource Centre and all the authors for allowing us to use their papers for this publication. Furthermore our thanks go to all participants of the conference for contributing to the high quality and seriousness of the discussion.

Finally I would like to acknowledge those individuals without this document would not have been possible. Mrs Belinda Wong retyped all the papers and Ms. Deepa Shreekumar Nair read the entire manuscript, brushed up the English and assisted in the editing.

# **TRADE UNIONS AND MIGRANT WORKERS - PREVAILING CONDITIONS**

## **MIGRANT WORKERS AND TRADE UNIONS IN SOUTHEAST ASIA:**

An Overview And A Framework For A Comparative Study

by

**Tian Chua**

### **Introduction**

This paper is a synthesis of responses based on a questionnaire circulated to various national union centres in Southeast Asia. The findings in it are far from final as some of the data is incomplete. The paper only presents a preliminary study on the phenomenon of labour migration in the region. We hope this conference will stimulate discussions among trade unions in the region and prompt unionists to pay serious attention to the issues of migrant workers.

We also hope that through this study and the discussions arising from this conference, a more thorough and vigorous study can be formulated. Such information sharing will foster a closer collaboration among trade unions on defending the rights of migrant workers.

### **Historical Overview of Migrant Workers**

Migration is not a new phenomenon in Southeast Asia. Historically, Southeast Asia has been the centre for migratory activities. The region has thus become a melting pot for a rich treasury of cultures and linguistic diversity. Such an active population mobility was in fact closely related to the economic and political development of the region.

The present demographic patterns of Southeast Asia were shaped by its colonial experience since the 18<sup>th</sup> or 19<sup>th</sup> centuries. The surge in demand for raw material such as spices, sugar, rubber, tin, etc. has also created a rapid expansion of demand for labour power. Due to the restrictions of the feudal land tenure system, the availability of indigenous labour was rather limited. This forced the colonising powers in Southeast Asia to import migrant labour to satisfy the expanding demands.

Chinese labourers were brought in to work as porters, craftsmen, petty traders and so on, in almost all the major trading centres. Workers from India were also im-

ported to work on plantations, construction, etc. The indigenous population continued to live in rural areas and engage in agricultural activities (food production). Indeed historically, segregation between indigenous and immigrant workers has always existed and persists even today\_

The introduction of migrant labour was also accompanied by new Labour relations and production systems. Wage labour was introduced and became widespread with the rapid rise of the migrant population. Migrant labourers were among the first to organise the labour movement in Southeast Asia, originally in the form of guilds or mutual aid associations. For example, the Chinese migrant workers organised themselves into guilds, clan houses or associations based on craft or dialect. Indian labourers also formed similar associations. These associations played the roles of co-operatives and welfare clubs and also provided a political platform to negotiate benefits for their members. Unfortunately as they operated outside the colonial laws, they were often perceived as being subversive. And so throughout the colonial rule there was constant conflict between these two sides.

Migrant workers were also the pioneers of modern trade unions in Southeast Asia. Seeds of trade unions began to germinate in several Southeast Asian cities by the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> century. Migrant labourers working in ports, mines, plantations and seafarers were among the first to form unions to take industrial action.

### **The phenomenon of labour mobility in Southeast Asia**

Foreign migrant workers are present in all Southeast Asian countries. Here, most of the population lives in rural areas and migrates to urban industrialised centres to form the workforce. Therefore the rural areas serve as a reservoir of labour. Within the confines of national boundaries, the rate of migration is determined by labour demands in urban areas. As such, labour mobility manifest itself in rural-to-urban migration.

Since industrialisation and urbanisation were relatively new phenomena in this region, large majorities of the urban labour force were sourced from immigrant labourers. This was reflected in the fact that the population growth due to increased birth rate, in Southeast Asian metropolitan cities, was almost negligible. So migration was the single most dominant factor contributing to urban population growth.

However for the purpose of this study, migrant workers refers to people who travel beyond their national boundaries (though Southeast Asian national boundaries are a new phenomenon) to seek employment. The terms 'immigrant' and 'emigrant' will also be used to distinguish between people who move **into** a foreign country (host country) and people who move **out** of their home country.

With globalisation, economies can no longer insulate themselves from international trade that includes the trade of labour. No country in the region (not even relatively closed economies like Burma and Laos) is exempt from the phenomenon of

international labour migration. Hence it is impossible to classify a country as a pure importer or exporter of labour. At the most an economy can be classified as net exporter or net importer.

In Southeast Asia, foreign migrant workers are present in all countries:

3. Destiny and size of migrant labour in each country

Country	Import from (not including outside Asia and professional experts)	Size of immigrant workers	Export to
Indonesia	China, Philippines, Malaysia, Thailand	N/A	Middle East, Europe, America, Australia, Malaysia, Hong Kong, Singapore, Japan, South Korea, Brunei
Malaysia	Philippines, Thailand, Indonesia, India, Bangladesh, Burma, Pakistan, Nepal	Est. 1.5 million or more (c.15% of workforce)	Middle East, Europe, America, Australia, Malaysia, Indonesia, Singapore etc.
Philippines	China, South Asia, Indonesia	N/A	Middle East, Europe, America, Australia, Malaysia, Indonesia, Singapore, etc.
Singapore	Malaysia, Burma, Philippines, Indonesia, China, Subcontinent*	450,000 (25% of workforce)	America, Australia, Japan, Europe
Thailand	Burma, India, Bangladesh, Cambodia, Southern China, Nepal, Sri Lanka, Laos	Est. 1 million	Middle East, Malaysia, Australia, America, Europe
Vietnam	Cambodia, Laos, China (all in small number)	N/A	Russia and Eastern Europe, Western Europe, Australia

\*Subcontinent includes India, Nepal, Pakistan, Bangladesh and Sri Lanka (Incomplete data)

4. Sectors or industries that have high concentration of migrant workers

Country	Sectors
Indonesia	Not available
Malaysia	Construction, plantation, domestic services, manufacturing
Philippines	Not available
Singapore	Marine industry, manufacturing, construction and domestic service
Thailand	Informal sector, construction, restaurant, fishing, transportation, domestic services
Vietnam	Not available

(Numbers or percentage of workers in each sector needed)



Examining data over the years indicates a rapid increase in the labour mobility in Southeast Asia. In the last decade, Malaysia has had the highest rate of intake, while the Philippines is the largest labour exporting economy in Asia. Currently, Malaysia, Singapore and Thailand are net importing economies.

It is often assumed that a high rate of unemployment results in pressurising workers to emigrate. Comparison of employment data in various Southeast Asian economies shows that the rates of labour migration were determined by a multitude of factors - not merely local ones, though local unemployment rates certainly play an important part as seen in Indonesia and Philippines.

On the other hand, take the case of Vietnam. The earlier structure of a centrally planned economy and a large share of state enterprises has successfully kept unemployment low in Vietnam. Therefore its trans-border labour mobility is, strictly speaking, not a response to the supply and demand of receiving economies. Labour export seems to be more orderly and planned by the government through accredited state agencies. (Vietnam's labour migration warrants a more detailed study.)

However in the cases of Malaysia and Thailand, the exodus of workers continued despite their economies experiencing labour shortage locally. We find that while Malaysia and Thailand were hosting millions of immigrants (particularly in the 90s), their relatively skilled workers were moving to fill vacancies of labour-intensive sectors in more advanced economies.

Due to inadequate data we are unable, for now, to conclusively determine all major factors that influence labour migration patterns. However, studies on labour migration have to be placed in the larger context of the international market. Factors such as skills and the role of the government, too, have to be carefully studied.

### 3. Labour migration from Vietnam

#### 3a.

<b>Target country for out-migration workers</b>	<b>Estimate numbers (1989)</b>
Soviet Union	21,598
Germany	8,699
Czechoslovakia	5,239
Bulgaria	5,082

#### 3b.

<b>Year</b>	<b>Total outflow of migrant workers</b>
1996	12,660
1997	17,000
1998	12,000

*Note: figure for 1998 is until Oct. 1998*

3c.

<b>Sector or Occupation</b>	<b>Number of workers (1980-1989)</b>
Industry	175,647
Mechanical	62,304
Light Industries	102,937
Chemical	7,301
Food processing	3,105
Construction & Material Production	44,946
Agriculture	6,160
Others	10,119
<b>Total</b>	<b>236,872</b>

4a.

<b>Target regions for out-migrating workers</b>		<b>Estimate number</b>
East Asia		257,000
Southeast & South Central Asia		104,000
Western Asia		348,000
Australia		17,000
Europe		77,000
North & South America		71,000
<b>Year</b>	<b>Total outflow of migrant workers</b>	
1995 (Apr-Sept)	795,000	
1996 (Apr-Sept)	900,000	

4b.

<b>Sector or Occupation</b>	<b>Number of workers (1996 Apr-Sept)</b>
Professional, Technical & Related Work	108,000
Administrative, Executive & Managerial	4,000
Clerical & Related Workers	26,000
Sales Workers	11,000
Service Workers	372,000
Agricultural, Animal Husbandry & Forestry Workers, Fishermen & Hunters	12,000
Production & Related Workers, Transport Equipment Operators & Labourers	360,000
Others	8,000

### **Government Policies and Regulations on migrant workers**

In general, the labour laws of all Southeast Asian countries were drafted at a time when only local workers were taken into consideration. Thus for countries which have a relatively low number of immigrant labourers such as Indonesia, Philippines

and Vietnam, there are no additional legal provisions on immigrant workers (except immigration regulations). However for economies with high immigrant workers, special laws and regulations - supplementing existing labour laws - were enacted. In both cases, duality exists in law enforcement and the working conditions between local and immigrant workers.

There are many reasons why special conditions and regulations are applied to immigrant workers but it will be too lengthy to elaborate on them here. Suffice to say that this dualism in the labour market often creates a situation where both local and immigrant workers are liable to be exploited.

As a whole, immigration laws seem to be the most dominant factor regulating migrant labour. A comparison of the various countries shows many similarities in the governing of immigrant labourers. Starting from the process of recruitment and intake, immigrant workers are subjected to the quotas and conditions set by immigration authorities.

In all countries, the application for importing labour is made by enterprises in the host countries. The complicated recruitment regulations also give rise to the establishment of many employment agencies (which often have close links with the authorities). Almost all countries specify that immigrant workers are only allowed when such skills or labour are not available locally. Nonetheless, the implementation of this provision is frequently subject to change and interpretation.

The apparent priority for local workers also gives rise to a wide range of restrictions of work permit and renewal of residential visa. No Southeast Asian country (except Singapore) grants citizenship to immigrant workers irrespective of how long they have served in the host country. Malaysian regulations even prohibit marriages between immigrant workers and local people.

The regulations for immigrant workers in Singapore and Malaysia specify that work permits are granted to workers based on employers' applications. Hence when the contract with the employer ends, the worker's work permit too is terminated. This stringent control of work permits is meant to control the influx of immigrants as well as regulate skill and capacity development of the labour market. Singapore seems to have successfully done so. Immigrant workers are restricted to labour-intensive and low-skilled occupations. This is coupled with a vigorous skills-upgrading programme for local workers.

The extensive use of immigrant workers in Malaysia, on the other hand, gives rise to a different scenario. In sectors like construction, agriculture, etc., the dependency on immigrant workers has allowed the employers to perpetuate a low wage policy and sub-standard working conditions.

The so-called protection for local workers is also implemented through the imposition of a heavy levy on employers of immigrant workers. In Singapore, a monthly levy is charged to employers. Similar levies also exist in Malaysia and Thailand.

However many employers are able to transfer the burden to the workers themselves.

In Indonesia, Vietnam and the Philippines, the governments tax individual workers who are engaged in foreign employment. This represents a large foreign exchange income for the sending economies.

### **Trade Unions and Migrant Workers**

In general, most trade unions do not openly reject the import of foreign labour forces. While claiming to accept the equal rights for all (including immigrant workers), unions still maintain that the interests of local workers/members have greater priority.

No doubt the attitude of the trade unions is greatly affected by the perceptions of the general public (i.e. workers). As a whole, all respondents maintain that the interests of the local workers should be protected first. In economies where there are a large number of migrant workers, the local workers tend to get uneasy and, at times, even hostile. It is believed that immigrant workers were brought in to suppress demands for improved working conditions and wages. Therefore sections of the local working class perceive migrants as competitors who could displace them. In addition, in Malaysia and Thailand, the governments also see the influx of migrants (especially the illegal ones) as a threat to national security.

The atmosphere in Southeast Asia generally does not encourage trade unions to defend migrant workers. At the same time, trade unions in receiving economies are more reluctant to integrate the welfare and benefits of migrant workers.

At the national level, most laws in Southeast Asian countries do not explicitly discriminate against the unionisation of foreign workers. Legally, migrant workers can join trade unions or form associations. However, the Malaysian government has added a new provision to the work contract that warns migrant workers against taking part in any union or political activities. The Minister of Human Resources has, on several occasions, publicly expressed the government's disapproval of migrants joining trade unions.

In reality, Malaysian labour laws do not prohibit foreign workers from joining trade unions. The only prohibition in the Trade Union Act is that they are not allowed to become office-bearers and they are also not allowed to form unions by themselves.

These seemingly favourable clauses in local labour laws actually mean very little to migrant workers. Unionisation of foreign migrant workers has been slow and lacking in dynamism. Some of the main obstacles in this have been:

- language barrier,
- migrant workers are employed on contract basis, therefore, joining a union will not improve the terms and conditions as stated in the contract,

- most of the migrant workers are illegal and without appropriate documents thus preventing their unionisation,
- intimidation from employers **and**,
- lack of understanding of the role and functions of trade unions on the workers' parts.

In addition to all the legal hindrances and socio-cultural barriers, trade unions themselves have not paid enough attention to the plight of migrant workers. The task of organising and providing services to migrant workers tends to be taken up by NGOs or charity organisations. However, in the recent years, there is a gradual increase of awareness of the need to organise migrant workers within trade unions. In Malaysia, quite a number of trade unions including those in transport, electronics, forestry, construction, etc., have begun to recruit foreign workers in their plants.

Even Vietnam, a newcomer in the race of labour export, has established various forms of organisational support for its overseas migrant workers. Vietnamese trade unions have been involved in several service-providing initiatives.

According to the unions, the services include:

- organising short-term foreign language courses,
- providing information on the legislation, customs, and working conditions of the receiving countries,
- demanding equal treatment of migrant workers relating to conditions of employment, training, social security, wage and integration into the host country,
- establishing links between the unions of the sending and receiving countries in order to protect the legitimate rights and interests of migrant workers.

There were some cases of migrant workers succeeding in forming migrant workers-based trade unions in Hong Kong, South Korea and Taiwan. These were accomplished with close collaboration between migrant workers and local activist trade unions. Unfortunately the existing laws in the main labour-receiving economies in the region, like Malaysia, Singapore and Thailand, do not recognise trade unions formed exclusively for migrant workers.

### **References:**

#### Legislation

##### **Vietnam:**

Decision NO. 370 HDBT (1991) on sending short-term migrant workers.

Labour Code article 3, 7- **Part V: Workers who work for foreign organisations and foreigners in Vietnam and Vietnamese guest workers abroad.** (From articles 131 to 135)

Recommendation No 07/CP (1995), Guidance of labor export policy

##### **Malaysia:**

Employment Act

Trade Union Act

##### **Philippines:**

Labour Code (Republic Act 8240)

Labour Code (Rule 14)

Others - N.A.

# **TRADE UNIONS AND MIGRANT WORKERS - PREVAILING CONDITIONS**

## **CONDITIONS IN BANGLADESH**

by

**Syed Sultan Uddin Ahmmmed**

Bangladesh is an exporter of migrant workers. An average of 200,000 people go abroad each year in the quest for work. Their earned remittance plays a vital role in the nation's economy. This year, 1998, up to October, the country has earned US\$ 1,570 million by the remittances made by the workers working aboard which is about  $\frac{1}{3}$  of the country's foreign exchange earning. This statistic only covers the workers who have gone with Government legal coverage. There are more of those who have gone without legal coverage and are treated as so-called illegal workers. However, all of them contributed to the development of the recipient countries. Unfortunately they are neglected and unrecognised by both the countries. The high rise buildings and other developments seen in some South East Asian countries were largely contributed by the migrant workers from Bangladesh and other neighbouring countries.

Bangladeshi workers mainly work as migrants in Middle Eastern countries, Malaysia, Singapore and Korea. Some also work in Japan, Great Britain and America. They generally tend to work in informal sectors i.e. construction, plantation and other dangerous, dirty and difficult industries where the workers of the recipient countries are not willing to work and Trade Union organisations give less importance to these sectors.

Very often these workers are working in inhuman conditions and face a lot of abuse and maltreatment. For the recipient countries, they are treated as outsiders with no power to influence politics and the electoral system. So the Government and other political forces do not bother about them. In the exporter country, they are treated as a fortunate group who can go to foreign countries and they are not a major concern because they are not living in the country. Sometimes it is influenced by some of the myths. In recipient countries, many local workers perceive migrant workers as a threat to their jobs and responsible for undermining their bargaining strength. And in the labour exporting countries, workers think that migrant workers are a fortunate and privileged group. Sometimes, these myths also influence the Trade Union movements of both the countries, though it does contradict the basic principles of Trade Union movement of responsibility to all workers, equal treatment and solidarity.

In Bangladesh, I should acknowledge that for various reasons the relationship between Trade Unions and migrant workers has not got priority yet. The following reasons are mainly responsible for this situation:

- The migrant workers mainly come from agricultural labour surplus and from the unemployed youth force who have very little idea about the Trade Union movement.
- Most of the time the migrant workers consider themselves fortunate to get a job abroad and try to keep it at any cost.
- Government and their recruiting agents rather than giving them correct information, give them false hopes about their future and insist that they are not to get involved in Trade Union activities.
- There is a lack of information about the labour laws of the recipient countries and the role of unions to protect the workers' rights.
- There is no law to expand union membership of potential and returnee migrant workers. So trade unions feel more concerned about their members inside the country, but not for migrant workers.
- Lack of international initiative among the trade union organisations of different countries.

The recent Asian economic crisis has shocked the whole region and has caused suffering for all the workers of this region. But for migrant workers it has created an inhuman situation. Without considering anything, the recipient countries started to expel the migrant workers, declared them illegal, deported them, even sent them to prison. Thousands of Bangladeshi workers, those who went to different South East Asian countries by selling all their property are returning back home, facing a lot of abuse. Even those who are somehow still working, face an even tougher livelihood due to the devaluation of currencies and decreasing salaries. Though migrant workers have always suffered in this region, their present hardship is most harrowing as compared to any previous time in history. If trade unions want to uphold their basic principles, now is the time for them to act. For a proper response from the trade union movement in both the recipient and host countries, the following things need to be considered:

- Joint consultative committee should be formed by the representatives of the trade union organisations of both the countries under the co-ordination of international organisations like ICFTU (International Confederation of Free Trade Unions), ITS (International Trade Secretariat) and other organisations.
- Action should be taken against those agencies liable for illegal recruitment. Tripartite consultation should be established in both the countries to discuss and formulate policy about migrant workers.

- The trade union movement should create pressure on both the countries to ratify and for the full implementation of the ILO convention regarding migrant workers and to introduce amendments to labour laws to protect migrant worker's rights.
- The trade union movement should launch a massive awareness campaign about the labour laws and the legal system of the host countries.
- Organising the migrant workers in the trade union movement, especially by the organisations of the host country should start without any hesitation and delay.
- A strong social security scheme should be created. The existing scheme should cover all the workers and there should not be any discrimination between local and migrant workers.
- Pressure should be created upon the governments of both the countries to compensate the migrant workers who are the victims of the recent and future unforeseen crisis.
- International initiatives should be taken, where specially ICFTU, ITS and other such organisations should come forward to sensitise the national trade union organisations about the rights of the migrant workers and the role of the trade union movement based upon the basic principles of the trade union movement to protect the migrant workers' rights.
- Trade Unions and other relevant NGOs should take joint initiative in this respect.
- Trade Unions should create pressure to introduce a social clause in all trade agreements where the migrant workers' rights will be covered.

Workers are always the vulnerable group to be exploited and they are always the victim of any turmoil but some workers are more vulnerable and migrant workers are very much so. It is the time to respond to protect thousands of them.

The Bangladesh Institute of Labour Studies - BILS which is working to create a greater unity in the Trade Union movement in Bangladesh and to build up the capacity of Trade Union movement has prioritised migrant workers' issues as one of the main issues that need to be highlighted. In our information service this is getting first priority. We are also going to undertake a study on the real situation, which will be published and distributed to all the concerned parties of all the concerned countries especially to the trade union organisations. A programme to provide information about the labour laws and trade union activities to the potential migrant workers is under process. I would like to request the organisers of the conference to provide us the findings of this conference, which we will be very glad to print and circulate in Bangladesh. We can find out other ways to work together in Bangladesh and to seek international co-operation.



# TRADE UNIONS AND MIGRANT WORKERS - PREVAILING CONDITIONS

## CONDITIONS IN THE PHILIPPINES

by

**Albert S. Yuson**

### 1. GENERAL PROFILE

#### A. Population and Labour Force

The Philippine population is approximately 70 million. Of this, 32.113 million constitute the labour force. There are about 745,000 new entrants to the labour market each year.

**Table 1**

<b>Total Philippine Population: 70 million</b>	
<b>Total 15 years old &amp; over: 47.114 M</b>	
<b>Total Labour Force: 30.593 million (64.9%)</b>	
Employment	27.856 M (91.1%)
Underemployment	5.803 M (20.8%)
Unemployment	2.737 M (8.9%)
Overseas Contract Workers ( OCW)	5 - 6 M (20%)
Wage and Salary Earners	13.760 M
Own Account Workers	10.344 M
Unpaid Family Workers	3.731 M
<i>Source: .VSO, 11 September 1998</i>	

#### B. Migrant Workers

Migration, or more appropriately, the export of contract labour, has claimed the labour of millions of Filipinos, both land- and sea-based. In September 1998, there are an estimated 5 to 6 million migrant workers. Government statistics has shown more than 750,000 are migrating abroad for an overseas contract every year. Fifty percent of the total migrant workers are undocumented and 55% or majority of them are women. They are spread over Asia, America, Oceania, Europe, and the Middle East.

##### 1. Deployment

Year	Total
1996	660,112
1997	747,696
1998 (Jan - June)	394,568

## II. Age, Civil Status, Gender and Education

### Age:

About 22.8 % of migrant workers belonged to age group 25 - 29 during the reference period. When disaggregated by sex, the biggest portion of the female migrant workers were in the age bracket 25 - 29 years while the biggest portion of male migrant workers were in the 30 - 34 age grouping. Emerging age group: below 20 years old (10%)

### Civil Status:

Single: women - 60% (only 22% for men)

Married: overwhelming majority for men (33 % for women)

### Gender and Women OCWs:

- The increasing women workers joining the labour export eases the burden of economic difficulties. POEA estimates the women to represent 59% of the total deployment in 1998 from 56% in 1997. The percentage of male migrant workers, on the other hand, has decreased from 44 % to 41 % in 1998.
- The increasing feminisation of labour export is due to the shift of labour economies from manufacturing to service; employment of domestic helpers and entertainers. Earlier, women-migrant workers were highly skilled - nurses, accountants, engineers, etc.. At present, though, they mostly work as domestic helpers, entertainers, waitresses and mail-order brides.
- More and more women below 21 years of age are joining the labour export

	1997	1998
Male	44%	41
Female	56%	59

### Education

During the early years, Philippines used to export professionals and educated or skilled workers. However, the current trend favours the unskilled workers mostly in the service sector.

## III. Regional Breakdown

These workers came from the National Capital Region (17.0%), Southern Tagalog (17.0%), Central Luzon (16.7%) and Ilocos (12.0%). On the other hand,

a considerable number of OCWs, reportedly without contract, came from Autonomous Region of Muslim Mindanao, Southern Tagalog and Western Mindanao.

#### IV. Destination

The majority of Filipino migrant workers worked in Asia, including Middle East. During a six-month period in 1996, 709,000 or 78.8% of the total migrant workers worked in Asia including the Middle East, and this was higher by 10.6 or 68,000 workers compared to the previous year. Migrant workers were also found in Europe (8.6%) and North and South America (7.9%). These three areas were observed to be the most frequented places of work by migrant workers during the same period in 1995.

Of the total migrant workers working in Asia during April to September 1996, 348,000 or 38.7% worked in the Middle East and 257,000 or 28.6% workers in East Asia. Workers in the Middle East were led by those in Saudi Arabia numbering 260,000 or 28.9% of the total and in East Asia by those in Hong Kong (120,000 or 13.3%).

As in previous years, more male migrant workers landed jobs in Saudi Arabia and female migrant workers in Hong Kong.

Country	1997	1998 (June)
America	7,058	4,525
Europe	12,626	7,284
Asia	235,129	113,591
Middle East	221,047	120,442
Hong Kong	78,513	NA
Japan	33,226	NA
Taiwan	72,748	NA
Malaysia	13,581	NA
Singapore	16,055	NA

*NSO, September 1998*

#### V. Industry Breakdown

From April to September 1996, 372,000 or 41.3% of the migrant workers were engaged in the service sector which has been the sector with the most demand from as early as 1990. There were also notable numbers of migrant workers working as production workers, transport equipment operators, labourers and related workers (360,000 or 40%). Other migrant workers were professional, technical and related workers (106,000 or 12.0%); agricultural, animal husbandry and forestry workers (12,000 or 1.3%); sales workers (11,000 or 1.2%), and administrative, executive and managerial workers (4,000 or 0.4%).

The biggest portion of the female migrant workers worked as service workers (82.8%) while more male migrant workers (91.7%) worked as production and

related workers, transport equipment operators and labourers during the reference period in 1996.

Of the total service workers, 102,000 or 27.4% worked in Hong Kong, 66,000 or 17.7% in Saudi Arabia, and 37,000 or 9.9% in Singapore. On the other hand, production workers, transport equipment operators, labourers and related workers were concentrated in Saudi Arabia (136,000 or 37.8%), Taiwan (35,000 or 9.7%), and Japan (29,000 or 8.1%). The number of construction workers has reached to more than 110,000.

## 2. THE ECONOMY AND MIGRANT WORKERS

Given the increasing trend in the labour market each year, it is important to know whether the Philippine economy is catching up. According to economic analysts, 1997 was a difficult year for the Philippine economy, 1998 become an even more troublesome year.

The reasons cited for the slow growth rate are: the Asian financial crisis which made currencies, banks and markets collapse; the El Nino natural disturbance; and too much spending on the 1998 elections.

### Economic Performance

Although the Ramos administration claims that the economic fundamentals of the country remain sound, the figure below shows the performance of the economy from 1997-1998:

SECTORAL GROWTH RATES		
	1997	1998 (June)
OCW Remittances	5,741,835,000 Php	2,651,137,000 Php
GDP	5 %	1.7% (1st Qtr)
GNP	5.8%	2.5
Source: Politik. Center for Social Policy and Public Affairs		

### Contribution to the Economy

The migrant workers from the North American Continent remained the biggest source of the country's remittances (Php 4 Billion). This is followed by the migrant workers from Asia (Php 455 million), and then migrant workers from Europe (Php 436 million).

### Asian Crisis

The remittances of Filipino migrant workers of around Php5 billion has been helping to keep the peso currency relatively stable. With the Asian financial crisis,

some 700,000 Filipino migrant workers lost their jobs and those who remained employed are being paid less or have to work longer hours. Deployment in Malaysia, Korea and Hong Kong has decreased from 20% to 60%. This means a decrease in the remittances by 24%.

### 3. ISSUES AND PROBLEMS

Low Wages and Worsening Working Condition. Migrant workers are usually paid lower wages and have to work under poor working and living condition. These are coupled with abuses and discrimination by employers. And this condition has affected the entire body of workers. The ICFTU studies show that the employment of migrant workers leads to the lowering of salaries and working conditions of the workers in the host countries. A significant number of migrant workers landed up as construction workers whose jobs are usually known as Dirty, Dangerous and Difficult. In Taiwan, Filipino migrant workers were exposed to dangerous chemicals on the job. A number of Filipino workers contracted the Stevens Johnson Syndrome (SJS), a disorder of the skin and soft tissues which resulted in bumps and sores on most of the body. About 30% of those afflicted with this disease die.

Women Migrant Workers. The increasing feminisation of labour export is due to the shift of labour economies towards the service industry. It ranges from skilled and professional jobs (i.e. nurses, engineers, computer programmers, etc) to domestic helpers and entertainers. There have been a number of cases that subjected women workers to sexual abuse by their employers.

Other Violation of Rights. Filipino migrant workers have experienced a number of cases such as the celebrated case of Flor Contemplation and Sarah Balabagan. These workers were not given due process and were discriminated in the host country. A significant number went home in their caskets. These workers were not given justice by either the host and the Philippine governments.

	1996	Jan-July 1997
Male	580	6
Female	1,378	386
Total	1,958	392
Human Remains	NA	198

Many migrant workers were exploited even before they left the Philippines. In their desperation to work abroad, many workers were burdened with excessive deployment and documentary fees. Many were holding fake documents or were illegally deployed. The government failed to facilitate and assist the workers; instead a number of these officials were also extracting illegal fees themselves.

Unionisation of Migrant Workers. The migrant workers do not have unions and are not allowed to form unions. This, therefore, excludes them from the protection

of their rights as well as from availing equal benefits, wages and social security. The trade unions, on the other hand, are having difficulties in carrying issues of migrant workers and some are having conflicts/competition with the migrant workers. The only highly unionised migrant workers are the seafarers organised by Associated Marine Officers and Seafarers Union (AMOSUP) and the Philippine Seafarers Union (PSU) both affiliated to International Transport Federation (ITF). There are some efforts by NGOs to organise the Filipino migrant workers overseas or by the migrant workers themselves. In the Philippines, the associations of Filipino migrant workers are recognised as they advocate for more government support programs.

**Significant Economic Contribution.** The migrant workers have made a significant contribution to the Philippines. The remittances constitute a large proportion of their GNPs. Besides this, they definitely alleviated their families from poverty.

With the current Asian economic crisis, migrant workers are starting to return home. Many have lost their jobs. Many industries have closed down. Construction projects have been stopped. The Philippine economy has been dependent on the remittances of migrant workers. As many workers started to come back home, unemployment in the country has reached 13 %.

The only dream of Filipino workers is to work abroad to be able to flee from the poverty crisis. They leave the country to earn dollars and help support the family. However, the cost is too much.

#### **References:**

1. National Statistics Office Report, September 1998
2. Web page, Bureau of Labour Statistics Office (DOLE), June 1998
3. POLITIK, Ateneo Centre for Social Policy and Public Affairs, September 1998
4. Pinoy Overseas Migration Folio, KAIBIGAN KAMMPI Paper, 1998  
Philippine Daily Inquirer, October, 1998

# **BEYOND THE ECONOMIC PRICE TAG EXAMINING THE HIDDEN POTENTIALS OF MIGRANT WORKERS**

## **THAILAND AND THE ILLEGAL MIGRANT WORKERS: AN ECONOMIC AND SOCIAL PERSPECTIVES**

by

**Voravidh Charoenlert**

Economic integration through trade and investment is often considered as a condition of growth for many developing economies. To promote trade and foreign direct investment, countries have adopted an export-oriented strategy. Trade liberalisation and financial deregulation are successively carried out to attract an inflow of capital. But the hard fact is that three-quarters of trade and investment is still very concentrated among 3 poles within the developed capitalist economies, i.e. USA, Europe (Germany) and Japan. And that least developing economies such as African countries fall and have low growth. Those outside these circuits are being marginalized. With globalisation of the economy, one finds growing gaps between the rich and poor countries but increasing inequality within nations. Poverty, thus, seems embedded within the structure of the world capitalist system. It engenders high labour mobility, the migration of people from the countryside to the cities, in search for jobs as well as the movement of people across national borders for higher paying jobs (known also as "international labour migration").

Although the movement of trade and investment is concentrated among the developed economies with the capacity to innovate and possess highly educated manpower, there are some developing countries that also benefit from capital inflow. The NIC countries shine out among the Asian countries as the major recipient of foreign investment. To create growth, states in the NICs as well as in the ASEAN region have opted for rapid economic integration through the adoption of 3 successive forms and phases of industrialisation - the import-substitution policy (IS), the diversification of export and the export-oriented industrialisation (EOI).

### **Strategies of Industrialisation:**

#### **8 East Asia and ASEAN Countries**

**Hong Kong**      Export - led growth

**Singapore**      1963: Import - substitution (abandoned very shortly, 1965;  
Export-oriented industrialisation)

<b>South Korea</b>	Import - substitution in early 1960 and followed by export -oriented industrialisation
<b>Taiwan</b>	Import - substitution, 1959 export - led growth
<b>Philippines</b>	Import - substitution; 1972 export - led growth
<b>Malaysia</b>	Export diversification and import - substitution in 1970 onwards, export - oriented industrialisation
<b>Thailand</b>	1960: import - substitution; 1973: export diversification; 1985: export - oriented industrialisation
<b>Indonesia</b>	Late 1960: import - substitution; 1979: production of export by giving incentives to foreign investment.

The shift from the strategy of industrialisation, (which is capital-intensive) to export-oriented growth (which is labour-intensive), and the consequent increase of export, has often led to a labour deficit in some countries, particularly the NICs. The Asianization of international labour migration may be viewed in this light.

The ILO's statistics revealed that in 1985, there were 20 million migrant workers employed under Temporary Contracts outside their own country (Asian Migrant Centre, 1994, p. 64). The number of workers migrating to the middle-eastern countries was as high as 3.9 - 4 million. But after the Gulf War, the movement of international labour migration tended to be directed to the Asian NICs such as Taiwan. The number of migrant workers into Japan increased to one million not counting the illegal workers estimated also to be of an equal number. In Malaysia, there are about 134,000 workers respectively. Singapore, in search of cheap labour, has adopted the triangular growth pattern in which labour-intensive industries are shifted out from Singapore to Johore (Malaysia) and cheap migrant workers are employed from Indonesia. Thus, one may conclude that the demand for labour is generated by a certain form of industrialisation, i.e. the export-oriented growth that is one of the characteristics of the NICs. This industrialisation feeds on other Asian countries (unlimited supply of labour) as a cheap source of labour so as to export competitively into the international market. But it is very questionable whether such type of employment is sustainable in the long run because of high fluctuation in the world market while capital is becoming increasingly borderless.

### **Thailand and the Illegal Migrant workers**

"Thailand: a labour deficit country" was a debatable topic in 1994. The Thai Chamber of Commerce and the business sector were pushing the government to legalise the use of illegal foreign workers, estimated to be around 700,000 - the majority of who were Burmese. The reason given was that there were certain kinds of work that the Thais would not do, creating a serious labour shortage in some



sectors such as agriculture, fishery and construction. The National Security Council was more cautious on this issue as it viewed the massive influx of illegal migrant workers from neighbouring countries as a threat to national security.

To accommodate the private sector demand, the National Economic and Social Development Board (**NESDB**) drew up a pilot project to legalise the use of migrant workers in the 4 western provinces along the border (later extended to cover 10 provinces) and conduct impact studies on the economy of the border region. In line with the policy of decentralisation, some labour intensive factories such as those of garment and shoes were relocated to the border areas to use cheap Burmese workers unhappy with political repression. However, this pilot project was left unimplemented as there was a rapid spill over of illegal, migrant workers to other coastal regions as well as Bangkok. The successive decisions of the cabinet, e.g. the decree on 25<sup>th</sup> June 1996 and what followed are attempts to legalise the use of illegal migrant workers in 43 provinces and also to manage the massive inflow of migrant workers. Illegal workers are required to register with the government agencies and can receive temporary work permits valid for 2 years. The attempts by the Government to regulate the flow of illegal, migrant workers was but a response to the problem and in a way accepting the reality of the existence of illegal workers in Thai society.

The inter-university research conducted under the auspices of the Institute for Population and Social Research, Mahidol University (1997) estimated the number of illegal, foreign workers to be over 1 million, 80% of whom are Burmese. In the beginning, there was an attempt to legalise the use of illegal migrant workers in the manufacturing sector. But with mass demonstrations by the workers organised by Labour Congress of Thailand (LCT), the government agreed to limit the use of illegal foreign workers to the agricultural sector, construction and fisheries. But, in fact, migrant workers were employed in industries related to fishery such as prawn peeling. For Thai workers, there is no problem of labour deficit but rather the "deficit of cheap labour". They argued that Thai workers are willing to do any kind of work if they are paid a decent wage.

### **Industrialisation and the "Low Wage Regime"**

One can distinguish two phases of economic growth during the period of export-oriented industrialisation. Prior to 1985, agricultural exports (including fisheries) were always greater than manufactured exports. Then in 1985, the value of manufactured exports surpassed the value of agricultural exports for the first time. And by 1990, the value of manufactured exports was more than three times that of agricultural exports (**TDRI**, 1994), indicating that the source of growth had shifted to the urban-led industries.

During the first phase of export-oriented growth, the luck of Thailand's manufactured exports consisted of labour-intensive products such as garments, sports shoes, toys, artificial flowers, gems and jewellery. The increased exports of these products were directly related to relocation of investment from the Asian **NICs** to coun-

tries such as Thailand. However, by early 1990, with the globalisation of the economy, there were indications that the labour-intensive industries were quickly losing their competitiveness especially in labour costs. With the appearance of low-labour cost countries such as China, Indonesia and Vietnam, Thailand's comparative advantage in the export of labour-intensive manufactured products is being, and will be, eroded. In the second half of the 1980s, Thailand's labour-intensive manufactured exports were growing at 30-40% per annum; currently the growth rates of these products are about 10% per annum or less (TDRI, 1994).

After 1990, the share of labour-intensive product exports of Thailand declined sharply to 40.45 % in 1991 and dropped to 26.26 % in 1995.

With growing international competition from low-cost labour countries, companies began to adopt the cost-cutting strategies. In search of flexible employment, firms also rely on externalising production to costs, which leads to widespread subcontracting and the "informalization" of the economy, with work divided into the categories of formal and informal. The persistent trend of the private sector to build its comparative advantage around cheap labour is, thus, reflected in the idea of legalising or liberalising the import of foreign, migrant workers into Thailand.

### **The Implications of the Use of Illegal, Migrant Workers**

To view foreign, migrant workers in economic terms or in the light of labour shortage is a narrow perspective. Labour is considered only as a factor in production and not as a "human being", and therefore with certain rights. So for a country to open or close its borders depending on the labour market condition or the demand of the private sector alone will make international labour migration responsive to the economic cycles and fluctuations of the world market. Thus, when there was an expansion of the economy or stiff competition from abroad, foreign migrant workers would be brought in to ease tensions of the labour market, postponing the rise in the wage rate. Therefore, the absorption of foreign, migrant workers into the production implies inevitably discriminatory measures with regards to working conditions, wages and welfare. In Thailand, studies have found that Burmese workers are often paid one-third the wages of a Thai worker. These workers are not covered by any social security system. Many of them are doing the 3D jobs - i.e. the dirty, dangerous and difficult - which the Thais are not willing to do. The Thai workers would prefer to do the 3D but in better paying places like Japan or the Middle East. Thailand is, thus, both an importer and exporter of foreign labour.

Secondly, illegal migrant workers are a very vulnerable group - easily exploited or oppressed. In some way, they have problems similar to women workers, i.e. they are subjected to unequal treatment. And yet, the problem of foreign, migrant workers is more complex. Once, they cross their border, they become "stateless" people. Because they are not regarded as having citizenship of the new country, they are less protected by the law, their rights are easily violated and they can be employed as forced labour.

Thirdly, in the opinion of employers, the import of foreign, migrant workers is seen as creating market flexibility. Thus when a shortage of labour develops, migrant workers could be brought in from neighbouring countries to keep wages from rising. But when there is an economic recession, these workers could be discharged from factories without cost and sent home, and the border would then be closed. This line of thinking is founded on the belief that international labour migration is a temporary phenomenon. Migrant workers are seen as persons intending to come and work temporarily and once, they have saved sufficient money, they return home. But in reality things are different as migrant workers often stay longer than their prior intentions and many become permanent settlers. To push foreign workers out often resulted in the use of force that in turn led to the use of power and the violation of human rights.

Foreign, migrant workers are often treated as "second class" workers. During a period of economic boom and prosperity, foreign workers are not much of a problem. The government welcomes them by opening up the border; businessmen welcome them as cheap labour; and ordinary people are less suspicious of them because everyone has a job. But when there is an economic downturn and the economy goes into recession, the border is closed and foreign workers are seen as direct competitors for scarce jobs and therefore need to be pushed out of the country. This kind of sentiment is prevalent now in Thailand as the government tries to push out and replace Burmese workers with locals - a policy which has not been much of a success.

Fourthly, foreign, migrant workers could be politicised as to create division within society. This could lead to racial conflict and racism. In the past, the Burmese have been used as a means of identifying who the Thais are in order to create nationalism and to build a modern Thai State. This kind of exploitation of nationalistic feeling is not healthy for the Thai society that is essentially a multi-racial society.

## **BIBLIOGRAPHY**

- Kanjanauksom, T. (1996) "Alternative Strategy of Women Migrant Workers" in *Reengineering in Thailand: Year 2000* (Thienchai W., editor), Thai Research Fund
- Achavanichayakul, K. (1997) "Synthesis of the Situation of the Transnational Workers and Alternative Policies on the Import of Foreign Workers in Thailand" Institute for Population and Social Research, Mahidol University
- Federation of Trade Unions - Burma (1998) - Report on Migration from Burma. Migrant Labour Report - November issue.
- Thailand Development Research Institute (1994). *The Thai Economy: First Step in a New Direction*, IDRI publication.
- Asian Migrant Centre (1994) "Asian Migrant Women Prepare for Beijing 1995", AMC & CEA's Meeting, Bangkok, 20-25 January 1995.
- Tang, M. and Thant, M. (1995). "Growth Triangles in International Perspective", in forum on *Labour in a Changing World Economy*, ILO, Bangkok

# **BEYOND THE ECONOMIC PRICE TAG - EXAMINING THE HIDDEN POTENTIAL OF MIGRANT WORKERS**

## **THE SITUATION IN SINGAPORE**

by

**Evelyn Wong**  
and  
**Mathew Wong**

As of June 1998, migrant workers constitute some 450,000 out of a workforce of about 1.8 million. Generally there are no unfavourable sentiments, as migrant workers are seen as contributing to the success of Singapore. While there is inevitably some concern that migrant workers could displace local workers and cause a general lowering of wages in certain industries, this is not a major issue.

Just like local workers, migrant workers in Singapore are permitted by the Trade Union Act to join trade unions. There is no distinction in the way that local and migrant workers are organised, as all unions are interested in enlarging their membership bases and therefore hold ongoing recruitment drives. In fact, in some unions, migrant workers make up the majority of union membership - for example in the shipbuilding and repair industry. Other industries where there are large concentrations of migrant workers include the manufacturing, construction and domestic service industries.

Recruitment and intake of migrant workers are regulated by way of a monthly levy on employers who have semi-skilled or unskilled migrant workers. For commercial and industrial employers, the levy varies according to whether the migrant workers are more or less than 35 % of the local workers in number. There are generally no restrictions on the industries that migrant workers can be employed in. Once recruited, each migrant worker is issued with a work permit for a particular job with a particular employer.

The Asian economic crisis has hit both local and migrant workers equally. There is no evidence to show that companies favour local workers over migrant workers in retrenchment exercises. In fact, many Singapore companies rely on a mix of both local and migrant labour to retain their competitive edge. Whether workers are retrenched or not depends on whether their skills are needed by their organisations, regardless of whether they are local or migrant workers.

## **Welfare & Protection of Migrant Workers**

In terms of migrant workers' welfare, both the government and labour unions help ensure that they are looked after. Migrant workers enjoy the same protection as local workers under the Employment Act and, where applicable, the Workmen's Compensation Act (Cap. 354) and the Factories Act (Cap. 104)

The law is also unambiguous and firm in protecting migrant workers against unscrupulous employers and recruitment agents. For instance with effect from 1 April 1998, employers who abandon their migrant workers will lose their security bond of S\$ 5,000 per worker. Such employers would also be permanently barred from bringing in migrant workers. Employers who default on their levy payments, or are three times late (within a 12-month period) in levy payments will have an additional S\$ 2,000 per worker security bond imposed on them. Depending on the circumstances, errant employers may also be subject to criminal proceedings.

The Ministry of Manpower has taken steps to regulate recruitment agencies, such as stipulating the mandatory attendance of a training course. Since January 1998, the Ministry of Manpower has implemented compulsory training for recruitment agents, including training on the recruitment of migrant workers. Courses are conducted at the Singapore Polytechnic, twice a week. By January 2000, all recruitment agencies will have at least one staff who has undergone the course.

In the event of a labour-related dispute, migrant workers have access to proper channels for redress. They can approach the Ministry of Manpower, or the unions to which they belong, for assistance.

There are also other gestures that other organisations have made towards migrant workers' welfare. Organisations like the Singapore Contractors' Association have taken small, albeit positive steps in improving the welfare of migrant workers, such as organising movie screenings. Even employers like the Keppel Group have also played a part, by providing suitable accommodation for migrant workers.

The National Trade Union Congress (NTUC), on its part, welcomes migrant workers to join unions, either as ordinary branch or general branch members. In recognition of the contribution of migrant workers to the economy, the NTUC organises May Day outings for migrant workers as part of its welfare programmes.

# **THE POTENTIAL FOR COOPERATION: OVERCOMING THE BARRIERS OF NATIONAL BOUNDARIES**

## **GLOBAL COMMITMENTS OF THE IFBWW**

by

**Balan Nair**  
and  
**Albert S. Yuson**

### **Introduction**

The International Federation of Building and Wood Workers (IFBWW) is very much concerned about the plight of the migrant workers. With the current globalisation of the labour market, there is a need for a global response. The IFBWW 20' Congress has called on its members to strengthen its linkages to effectively defend and protect the rights of the migrant workers.

### **Situation of the Migrant Workers**

The major restructuring of the world market, through the passing of the GATT by many states and governments, is projected to translate into widespread mobilisation of migrant labour. Labour migration within the Asia-Pacific region has increased over the last several years. Overseas employment will remain a solution and problem over the next few years. Workers are forced by wrenching poverty to leave and seek menial work in foreign lands and despite the tragic tales that dot the overseas employment landscape, the exodus continues. The effect shall be palpable: labour-sending countries vying for job markets will make it a buyer's market, sending salaries on a downtrend. At the same time, international protections, standards and mechanisms for migrant labour have not been completely formulated, leave alone implemented.

Migrant workers are usually paid lower wages and have to work under poor working and living conditions. These are coupled with abuse and discrimination by employers. Increasing feminisation of labour export is due to the shift of labour economies towards the service industry. There have been a number of cases that subjected women workers to sexual abuse by their employers. On the other hand, most of the migrant workers neither have unions nor are they allowed to form unions. This, therefore, excludes them from the protection of their rights as well as availing equal benefits, wages and social security.

With the current Asian economic crisis, migrant workers are starting to return home. Many have lost their jobs and many industries have closed down. Construction projects have been stopped. Those countries that are dependent on the remittances of migrant workers have been very much affected. This just shows that international migration should not be encouraged by governments. The only solution is for governments to strengthen their economies by following a developmental path that is based on sustainable economic development as that will generate employment.

### **IFBWW Global Commitments**

During the 20<sup>th</sup> World Congress, the IFBWW resolved that there is a need for global political commitment to alleviate poverty, create social and gender equality and promote sustainable development. The IFBWW will work with its affiliates and with partners in the international trade union movement to continue to press for a political agenda which includes the right to full employment and social justice for all workers around the world.

### **International Campaigns and Advocacies**

IFBWW believes that international migration should be arrested and this can only be done through the creation of employment opportunities at the local level. However, the increasing trend of migration of labour cannot be ignored and so greater attention should be given to the migrant workers by trade unions.

The IFBWW will campaign for:

- Policies designed to protect migrant workers and their families and to comply with ILO Convention 97 concerning Migration for Employment and Recommendation 151 concerning Migrant Workers and Convention 118 concerning Equal Treatment (Social Security);
- Policies that would ensure that government and employers consult and allow greater participation of trade unions on all issues affecting the migrant workers in both the host and home countries;
- Policies that would allow continued social security coverage (unemployment benefit, pension, child and health care) during the period of gainful employment spent abroad; and,
- Permission for migrant workers to exercise their social and trade union rights in the host countries and the trade unions in the host country must represent the migrant workers in all forms of employment.

## **IFBWW Programs and Initiatives**

The IFBWW calls its members to modernise. The changing patterns in the labour force call for the reassessment of trade union structures to effectively respond to the new needs of the workers including the issues affecting the migrant workers. The IFBWW calls its members to strengthen and restructure the trade unions and reach out to the other workers including the migrant workers. It is in this light that concrete initiatives are being taken up to address the issues:

### **Unions in the Sending Countries**

#### **Organising**

Trade unions have started to expand the scope of organising to cover the migrating workers, particularly before departing the country. Appropriate form of organisations could be established. Trade unions likewise invited existing migrant workers associations to affiliate.

#### **Education and Information Campaign**

Trade unions are also starting to integrate the issues of migrant workers in their respective education and information campaigns. Some NGOs are conducting pre-departure seminars for migrant workers. The first target for education is the union membership. Massive campaign should be implemented by the trade unions. Included in the information dissemination is a directory of contact persons of IFBWW affiliates in the host countries.

#### **Database of Membership**

Maintaining database of union members would facilitate effective monitoring of members including those opting to work outside the country.

#### **Networking and Alliance Building**

Trade unions are establishing alliances with existing migrant workers' organisations. Networking is also being developed between trade unions and NGOs to cooperate on issues affecting the migrant workers.

#### **Legal Assistance and Documentation**

Some trade unions, NGOs and even support groups of migrant workers are monitoring and documenting various cases affecting the migrant workers. Some are providing legal services.

#### **Policy Advocacy and Tripartite Representation**

A number of trade unions in co-operation with NGOs are now incorporating the issues of the migrant workers in their policy agenda to their governments. In some countries, migrant workers' organisations are even represented in the various tripartite bodies. In some cases, like in the Philippines, trade unions are working on a policy on mandatory skill certification of all construction workers and mandatory pre-departure seminars before leaving the country.



### **Reintegration of Returning Migrant Workers**

Trade unions and NGOs are also implementing programs for the returning migrant workers. And these include local employment and re-integration to the trade union structures.

### **Unions in the Host Countries**

#### **Organising Migrant Workers**

Trade unions in host countries are also starting to organise the migrant workers. There are different forms in which migrant workers are organised in the host countries. Some are recruited directly to the unions in the host countries, if allowed. Some are recruited as associate members, in the case of Singapore. In Taiwan, construction migrant workers are recruited in the union social insurance association. Other trade unions are directly working with existing migrant workers' associations.

#### **Education of Trade Union Members**

Trade unions are also targeting their respective members to be educated and informed about the issues and concerns of the migrant workers. This is important because migrant workers are seen by the workers in the host countries as competitors.

#### **Information and Social Activities**

Trade unions are disseminating information to the migrant workers in various forms. Others are conducting social activities such as sports fests for the migrant workers. Others would include materials on migrant workers in their education materials and newsletter. Development of popularised materials is very important in addressing the language barrier.

#### **Networking and Linkaging**

Trade unions initiate linkages and networking with migrant workers' organisations and NGOs to co-operate on issues and programs concerning the migrant workers.

#### **Documentation and Monitoring**

Trade unions, NGOs and migrant workers' associations are co-operating in the documentation and monitoring of cases of migrant workers. Efficient exchange of this information has still to be developed.

#### **Policy Advocacy, Lobbying and Representation**

Some trade unions are very active in lobbying for the concerns of the migrant workers. Some trade unions have even made representations on behalf of the migrant workers to raise their issues to the host government. However, efforts to strengthen the network of trade unions, migrant workers and NGOs has to be given more attention to make an effective impact in lobbying for a passage of national policies and ratification of ILO Conventions.

### **Women's Program**

Trade unions have realised the need for greater attention to the issues affecting the women migrant workers. Cases on women migrant workers (i.e., sexual harassment) are increasing. Some NGOs are already providing the necessary support, however, trade unions have to take immediate actions.

### **IFBWW International Program**

#### **Union-to-Union Linkages:**

The IFBWW is strengthening the linkages of its affiliates to co-operate on programs that would respond to the issues of the migrant workers. The IFBWW through its Regional Bodies and Offices is taking the lead in facilitating a closer communication and exchanges of information among its affiliates. Some of the affiliates have already developed joint co-operation on some specific issues.

#### **Information Exchange**

The IFBWW with its Regional Bodies and Offices serves as the venue for exchanges of information. The IFBWW web site, affiliates' directory and the various conferences can be utilised for such exchange. Documentation of trade union rights violations, education materials and researches can also be shared by its members.

#### **Networking and Coalition Building**

The IFBWW is taking the lead in building networks and coalitions with different International Trade Secretariats, ICFTU, NGOs and Donor Agencies to launch an international campaign and lobbying on issues of the workers world wide including the issues affecting migrant workers.

#### **International Agreements**

The IFBWW is likewise advancing policies and programs of the workers through negotiations and agreements with the different multilateral or international bodies such as the International Labour Organisation, World Bank, World Trade Organisations and Multinational Corporations.

### **References**

IFBWW Congress Documents, 1997  
ILO Paper on the Role of Trade Unions, 1995  
ICFTU Document

# **THE POTENTIAL FOR COOPERATION: OVERCOMING THE BARRIERS OF NATIONAL BOUNDARIES**

## **EXPERIENCES OF THE KOREAN CONFEDERATION OF TRADE UNIONS**

by

**Kim Yu Jin**

### **The Economic Crisis in Korea and the KCTU Struggle**

#### 1. The IMF Policy Regime and the Aggravation of the Crisis

The economic crisis in Asia - sweeping through Southeast Asia, Korea and Japan - and in Russia may signal a long term world-wide recession or even depression. This makes up the external condition that feeds into the impact of the IMF policy of high interest rate, austerity fiscal and monetary policy, trade and capital goods market liberalisation, and structural adjustment. The crisis - and the policy responses dictated by the IMF - has provided favourable conditions for the interest of trans-national capital and monopoly chaebol conglomerates. The overall effect of the crisis and the IMF has been a gross decimation of the foundation of the Korean national economy.

There is a growing international consensus that the currently unfolding consequence of the crisis both in Korea and Asia as a whole is the result of the policy failure of the IMF. For example, the IMF has insisted on the high interest policy and austerity fiscal and monetary policy - which form some of the central pillars of the IMF response in all affected countries - despite all opposition and criticism from domestic (e.g. the KCTU) and international actors. The IMF, however, was forced - due to unanticipated results, such as drastic contraction in economic activity - to adjust the various macroeconomic instruments - lower interest rates and greater room for government deficit spending. The unacknowledged and unrepentant about-face by the IMF led to the calls for economic stimulus policies and orientation. The recent developments in Korea provide, thus, ample evidence of the failure of the classic IMF approach and policy regime.

#### 2. Predatory Structural Adjustment : Consolidation of the Big Five Chaebols and Trans-national Capital

The recession provides a fertile environment for monopolisation. The current wave of corporate mergers and acquisitions in Korea is headed towards a re-

organization that will bring greater monopoly powers. Set against the dominant trend, the sporadic government announcements about "chaebol reform" are proving to be empty words lost in the wind. The crisis created opportunity - and the red carpet treatment by the government - for foreign capital entry into Korea adds another dimension to the trend towards the consolidation of monopoly capital: the worsening and the deepening of foreign dependence.

The government, media and the big businesses have succeeded in creating an infectious mood on which hangs all hope for economic recovery on attracting more foreign capital. The foreign interests have, in response, stepped up their hunt for the most successful and profitable firms and banks as they suffer first and foremost through restructuring.

While the chaebol groups ranked between 6 and 64 have been subjected to 'workout' processes led by banks, the Big Five have escaped the full brunt. Rather, the much-touted 'big deal' - exchange of subsidiaries amongst the Big Five to allow economy of scale and specialisation - has become an avenue for the Big Five to shed their debt burden and privileged positioning. As a result, while the most of the smaller chaebol groups will be forced to undergo a dismemberment process, the Big Five will be in position to take over those sidelined by other chaebols, to become super-chaebols. They will be in a position to exploit the special tax breaks offered by the government and debt forbearance by the banks (by the government in the last instance) to promote the restructuring process.

### 3. Mass Unemployment and Widening Income Gap: Accelerated Impoverishment

The crisis - together with the high interest rate - has brought about the collapse of thousands of small to medium enterprises. This and the process of restructuring - which has brought about the concentration of economic power by the Big Five and the foreign trans-national capital - have given rise to a dramatic and massive increase in unemployment. Furthermore, restructuring has resulted in issuing indemnities to the business allowing them to transfer the burden of their management and policy failures to workers.

Unemployment - which remained around 2 % until October 1997 - has risen to 7.3 % with 1.57 million people out of work according to the government statistics. In the KCTU analysis, the real unemployment rate is over 17% with the total of 3.87 million people unemployed. Thousands of unemployed have joined the ranks of the homeless who have made parks and subway stations their homes.

The growing unemployment presents a fearful prospect for winter as crushing chilly weather sets in.

According to a government study, the nominal income of the top 20% increased by 2.3% in the second quarter of this year. In contrast, the lowest 20% saw their income scaled down by 14.9%. The real consumption - adjusted for in-

flation - has contracted by 19.7%, the largest decline since 1963 when the study first began.

The crisis, the high interest rate and the austerity fiscal and monetary policy dictated by the IMF has also brought about a radical regression in working conditions. Wage cuts, workforce reduction, industrial accidents and increased work intensity are common for all workers.

#### 1. The KCTU Struggle Agenda

The Korean Confederation of Trade Unions have waged a campaign - involving two rounds of general strike - for employment security, the dismantling of the chaebol system responsible for the crisis, and the re-negotiation of the IMF conditions. The government responded to the KCTU struggle with unprecedented repression, taking legal action against 411 KCTU leaders and members - resulting in the imprisonment of a total of 107 people (currently 73 people are detained in prison), including the KCTU general secretary and launching a hunt for KCTU's first vice-president.

The Korean Confederation of Trade Unions has refined its agenda to a 6-point demand. The KCTU will hold a massive rally on November 8 together with other people's movements and social movement organisations to step up the campaigns to realise its demands.

#### KCTU's Six-Point Demand

- Dismantle the chaebol system responsible for the crisis.
- Eradicate the structure of corruption and collusion between the political and economic powers and reform politics and the government.
- Guarantee employment and livelihood through a reduction in working hours.
- Reform the social security system.
- Guarantee basic labour rights and democratic industrial relations.
- Re-negotiate the IMF conditions to prevent unjust intervention and interference.

#### **Crisis Means Greater Suffering and Pain for Migrant Workers**

The worsening employment precariousness and working conditions, and rampant non-payment of wages - fanned by the crisis and the atmosphere of the crisis - are most severe for 'non-regular' workers, workers in subcontract firms, day labourers and migrant workers.

The massive exchange devaluation - with a nearly 50% loss in value - has meant a radical drop in the income for migrant workers. Furthermore, the general contraction and depletion of economic activity has eliminated job opportunities. Many migrant workers seek to leave Korea and they are "aided" by the government policy

to encourage the "undocumented" migrant workers to leave by providing incentives, such as lifting of fines. But many migrant workers are not able to return home because the prospects at home are not much better as the crisis has impacted most of the Asian countries. Furthermore, they face the prospect of losing their wages as many companies have repeatedly failed to pay wages due to management difficulty or bankruptcy, or even malicious intent.

#### 1. The Situation of Migrant Workers in Korea

Migrant workers, until last year, numbered around 300,000 making up 2% of the total working population. It is estimated that some half of the existing migrant workers returned home due to the difficulties they faced in Korea (Korean government encouraged voluntary departure for the "undocumented" migrant workers by lifting fines for the period from December 28 last year to April 31 this year. But, it is estimated that only 46,500 out of 156,000 so-called "illegal" migrant workers took the offer.

As of end-September, a total of 45,000 migrant workers 'imported' as "industrial trainees" are working in Korea. They are far outnumbered by the undocumented migrant workers who are estimated to be more than 94,000. The total population of migrant workers in Korea has reduced to 150,000.

#### 2. Pain of Unemployment

According to a study of 299 migrant workers, done by the YMCA Citizens Monitors, 84.6% of them were currently employed while 15.1% are unemployed due to ill health or government harassment, and scarcity of jobs. This 15.1 % is double the official unemployment rate of 7.3 % for September 1998.

The National Assembly government auditing in October 1998 found that a total of 12,000 'industrial trainees' lost their jobs this year, a five-fold increase from 2,500 recorded last year.

#### 3. Reduction in Real Wage

According to the YMCA study, the average income of the migrant workers in Korea is 649,000 won. It is found that migrant workers spend 30% of the income (194,000 won) as living expenses and send the rest home. Their wage is only 43.3 % of the average wage for Korean workers which stands at around 1.5 million won. The situation is much worse for 'legal' workers who are 'imported' as "industrial trainees" as they receive around 300,000 won per month.

The recent inflation and currency devaluation has meant a great erosion of their situation and prospects.

#### 4. Non-payment of Wages

According to the documentation undertaken by the migrant worker counselling centres and shelters affiliated to the Joint Committee on Migrant Workers in Korea (JCMK), in March 1998 alone there was a total of 1,222 cases of failure to pay wages - totalling 1.1 billion won.

The October National Assembly government auditing found that some 351 undocumented migrant workers had not received wages for six months from January to June this year. The total unpaid wages amounted to 511 million won, an average of 1.45 million won per worker (i.e. around two months wage).

Given the widespread phenomenon of unpaid wages, it is unreasonable for the government to maintain its policy of forcing migrant workers to leave Korea. The Korean Confederation of Trade Unions and the Joint Committee on Migrant Workers in Korea have called on the government to extend the grace period for workers who have not been paid wages. Furthermore, the two organisations have pressured the government to take an active role in solving the problem of failure to pay wages.

### **Solidarity between the Trade Union Movement and Migrant Workers**

#### 1. The KCTU Campaign for Migrant Workers

October 27, 1994	Forum on Employment Trainees
November 13	Nepalese workers take part in National Workers Rally
November 25	Campaign on human rights of employment trainees
December 5-8	4 Nepalese workers call on the KCTU for protection due to abuse by Dongyang Manpower Development Agency
January 9, 1995	KCTU organised sit-in protest action at Myongdon Cathedral by migrant workers
January 12	The sit-in action give rise to the formation of a joint taskforce of 32 organisations
February 13	Statement: On government migrant worker policy and human right issues of migrant workers
February 14	Human rights fact finding mission to a number of companies employing migrant workers (led by National Assemblyman Lee Hae Chan)
February 21	Protest action against the Small to Medium Enterprise Federation for its reward programme
February 23	National Trade Union seminar on migrant workers
March	KCTU resolves to set a day in a week for special counselling for migrant workers. KCTU resolves to adopt migrant worker clause in collective bargaining agreement
March 25	Protest march against retaliation for the Myongdong Cathedral protest sit-in
May 1	Some 100 migrant workers organised to participate in the May Day rally. Presentation on migrant workers struggle, and cultural performance by migrant workers

August	Establishment of the Joint Committee on Migrant Workers in Korea
September	KCTU launches a signature campaign calling for the enactment of "Migrant Worker Protection Act"
October 29	National Migrant Workers Rally (1,500 participants). KCTU affiliated federations form sisterhood relationship with various ethnic communities of migrant workers
November 12	100 migrant workers organised to participate in the National Workers Rally
January to April 1996	Various exchange programmes by the sister organisations
May 1	200 migrant workers organised to participate in the May Day Rally
May	Continuation of the signature collection petition campaign for "Migrant Workers Protection Act"
November	100 migrant workers organised to participate in the National Workers Rally
September 1997	Lodged a formal petition at the National Assembly to enact an "Act on Migrant Worker Work Permission and Protection"
November	100 migrant workers organised to participate in the National Workers Rally
April 1998	Opened Wage Non-payment and Unfair Labour Practice Reporting Centre
April to June	Campaign calling for the abolition of fines against "illegal" migrant workers and for the provision of protection for voluntary departure
First half year.	Adopted "Institutional improvement concerning migrant workers" as a formal agenda of the Tripartite Council
May 1	50 migrant workers organised to participate in the May Day Rally
September 9-11	"Neo-liberalism and migrant workers" workshop at the People's International conference in Seoul co-organised by the KCTU

## 2. The KCTU Migrant Worker Policy

- a) Adoption of a model collective bargaining agreement on migrant workers.

As the KCTU unions are all enterprise unions, it is important for individual enterprise unions to adopt collective bargaining agreements on migrant workers. KCTU has adopted a model agreement on migrant workers and is encouraging the member enterprise unions to adopt it between themselves and the management. In 1995, a total of 10 unions opened union membership to migrant workers. Two unions have adopted agreements with the company compelling the management to reach an agreement on working conditions when employing migrant workers.

### Model Agreement on Migrant Workers

#### *Article 46 Migrant Workers*

- The management must adopt a prior agreement with the union in case of employing migrant workers. The employment of migrant workers



must not lead to reduction in the previous workforce nor replace the existing work.

- The management must apply the collective agreement and the employment rules equally to migrant workers regardless of the legal status of the migrant workers, and must not discriminate on the basis of nationality, race, or form of employment.
- The management must provide all documents concerning the existing foreign industrial trainees and transform the current employment contract as industrial trainees into full normal employment contract.
- The management, in transferring the workers from the overseas subsidiary to work in Korea as trainees, must beforehand provide relevant documents and information concerning the number, period, working conditions and training programme to the union and obtain the union's agreement.
- The union can undertake counselling on the complaints by migrant workers and the management must respond to the union's demand for correction.

Unions which opened membership to migrant workers: Chunggy Garment Workers Union, Swiss Hotel Workers Union, Semi Industry Workers Union, Keun-ghil Workers Union, Yushin Architecture Design Complex Workers Union, Hyundai Fire and Marine Insurance Co. Workers Union, Hanbo Workers Union, Samhwa Industry Workers Union, Mando Machinery Workers Union, Dong-A Precision Industry Workers Union.

- b) Petition to National Assembly for Enactment of "Migrant Worker Work Permit and Protection Act"

The Korean Confederation of Trade Unions has lodged a formal petition to the National Assembly for the enactment of a "Migrant Worker Work Permit and Protection Act". This draft bill proposes "work permit system" and "labour hosting through bilateral agreements" as a means to correct the problems in the current migrant labour policy and to protect the basic human rights of migrant workers. This bill, however, is still not being discussed in the National Assembly.

- c) Organisation of migrant workers requires changes in the constitution of individual enterprise unions to open the membership to migrant workers and active organising effort.
- d) Human rights protection work requires an active network involving various local and national organisations in the areas of counselling and fact-finding, and advocacy.

- e) Education and publicity work must be three-directional: towards trade union members, Korean society and migrant workers themselves.
- f) Campaign to bring about a reform in the institutional system concerning migrant workers must be stepped up.
- g) Legal assistance for migrant workers needs to be consolidated.

### 3. A Model Case of Co-operation between Trade Union and Migrant Workers

Most of the companies employing migrant workers are small-to-medium enterprises. "Bay Industry" whose union is affiliated to the Korean Metal Workers Federation is one such small company that has employed 'industry trainees' since 1992.

In the beginning, the industrial trainees were used to replace Korean workers when the union took industrial action. As a result, they were perceived as an obstacle for trade union activity. On the other hand, industrial trainees received wages far below the Korean workers. Furthermore, the company did not give penalty rates for overtime work for migrant workers. As a result, migrant workers were forced to work twice as much overtime than Korean workers. The prevailing conditions provided cause for serious complaints from the migrant workers.

The trade union at the company began to address the plight and situation of migrant workers. This led to an increased trade union activity on the part of migrant workers. The union began to demand the management to extend the same conditions to the migrant workers. As the greatest complaint of migrant workers was wage level, migrant workers began to call for wage increase. The union demanded that the management extend the same wage rates to migrant workers in compliance with the existing laws.

The union did not succeed in this but, as a result of the union's campaign and negotiations, migrant workers began to receive wages that were 80 to 90% of the wages of their Korean counterparts.

The union also succeeded in obtaining dormitory services and severance (retirement) allowance for the migrant workers. Furthermore, it won a commitment from the management to refrain from delaying wage payment.

The union continues to respond actively to day-to-day issues and concerns of migrant workers. And all of the trade union's activities involve migrant workers.

Industrial trainees come to Korea on one year contracts. This means that there is an annual replacement of migrant workers. While the attitude of migrant workers to the union changes according to the composition of the new batch, the union is committed to open itself to migrant workers.

#### 4. Policy Imperatives for the KCTU

In the context of high unemployment, it may be over-stretching for a union to turn its attention to the issue of migrant workers. The recent silence by the unions on the issues of the rights and welfare and protection of migrant workers is a sad reflection of the plight of the unions.

Unemployment and migrant workers can - within the limited boundaries of a country - be perceived as a conflicting issue. However, in a closer understanding of the economic crisis and the roots of employment insecurity - and in the perspective of internationalism - they are merely one and the same problem.

The trans-national capital, in its generation of unlimited competition, coerces the lowering of labour cost. This gives rise to labour migration. But, in one country, capital uses unemployment and migrant workers as a leverage for greater flexibility and competition amongst workers. Migrant workers are, therefore, not an external factor which bring about job insecurity, but the common product and victim of capital.

The Korean Confederation *of* Trade Unions is concentrating on employment and livelihood stabilisation, chaebol and political reform, and consolidation of basic labour rights as its agenda. On the other hand, it is exerting all its energy to build industrial unionism, as part of its organisational agenda.

The Korean trade union movement was, in the recent past, forced to realise the limitation *of* the struggle for redistribution and employment retention confined to an enterprise. In response, it has begun work in earnest to explore the way towards industrial unionism. It is conducting education programmes, and developing proposals for operational structures and bargaining systems.

The establishment of industrial unionism will provide a new momentum for trade union response to migrant workers. Industrial union structure is far more accessible for migrant workers just like other "irregular workers" who were not easily organised by enterprise unionism. KCTU will allocate greater resources for organising and responding to all forms of irregular workers including migrant workers.

The industrial unions, will be able to undertake a more effective campaign for equal treatment of all workers, including 'equal work, equal pay' principle which would be a central issue for migrant workers. Furthermore, industrial unions will be more effective in obtaining the equal labour rights for migrant workers. This will call on the KCTU to develop an effective programme to organise migrant workers as members of industrial unions.

# **THE POTENTIAL FOR COOPERATION - OVERCOMING THE BARRIERS OF NATIONAL BOUNDARIES**

## **EXPERIENCES OF THE GERMAN IG METALL**

by

**Manuel Campos**

### **Introduction**

An extraordinary economic crisis is shaking the world. According to the annual 1998/1999 report of the International Labour Organisation (ILO) the Asian crisis will have destroyed 10 million jobs world-wide by the end of next year. Thus, the number of unemployed workers will rise to 150 million or 5 % of the world's workforce.

The majority of jobs will be lost in Indonesia, Thailand, South Korea, Singapore, Malaysia and the Philippines. This might even have consequences for some industrial branches in Western countries that are highly depended on export. Germany and the European continent, which already face a series of additional challenges and problems, will not be spared either:

### **In Europe:**

- the eastwards extension was resulting in massive migration where poverty was highest and the need for development essential,
- the fight against unemployment, especially among the youth,
- the creation of new jobs and the balancing of social, tariff, legislative and other essential standards,
- the introduction of the new single European currency,
- wars, ethnic cleansing, death and expulsion resulting in refugees and misery, and,
- high competition among the nations.

### **In Germany:**

- the erosion of values and a loss of solidarity and justice,
- the fight against mass unemployment and the creation of new jobs,
- massive technological changes in industrial production and development,
- the completion of the German re-unification and the reconstruction of East-Germany,

- the inauguration of a new government and the implementation of a new policy, more justice, improved distribution and social peace,
- the integration of foreign workers who live permanently in the country and the accommodation of those seeking asylum, and,
- the necessity to emphasise more on political rather than economic development.

The history of the European continent and the history of Germany contributed decisively to the development of migration. Europe, a continent responsible for disaster and poverty in many places but also a continent of impressive culture, has for a long period of time been both, a region of emigration and immigration. Some of the former countries of emigration such as Italy, Spain, and Portugal are now under the pressure of waves of immigration, especially from other Mediterranean countries.

Germany exported millions of migrants during the last century, especially to the United States of America; so much so that half the American people are of German origin. Today Germany is an immigration country even if politicians have denied this fact until recently. Despite high unemployment rates, Germany still attracts tens of thousands of immigrants every year.

**The migrant workers** who meanwhile live and work in Germany in the third generation, profited from the consequences of WW II, although the poverty and unemployment in their own countries were as well a result of war and crisis.

Germany needed an additional workforce for its reconstruction. Employers were looking for young men in Europe and Northern Africa and with the support of the government concluded recruitment agreements with Italy (1955), Spain and Greece (1960), Turkey (1961), Morocco (1963), Portugal (1964), Tunis (1965) and Yugoslavia (1968).

Germany drew on many people who tried to pursue happiness somewhere else. It does so still today e.g. among refugees who want to escape war, hunger and death.

**The employers** wanted young, strong, cheap and willing workers

**The government** hoped for a rotation of these workers every five years. However, it happened differently. Many stayed in Germany, brought in their families and settled down.

**The trade unions** had learned about competition and opposition from war and history and had high regard for international solidarity, unity and equality. The foreigners profited from the structures of unified unions, but their presence contributed as well to social, financial and workplace related improvements for German workers. Quite understandably at that time, they were given the cheap, dirty, dangerous and less qualified jobs. The unions realised that foreign workers might emerge as competitors, therefore, they acted first of all socially and politically in their own interests, but they did not forget the concerns and working conditions of migrant workers.

**The German Confederation of Trade Unions - DGB**  
and especially the **Metal Workers' Union - IG Metall:**

- offered help and became a political home for foreign workers,
- treated them as equal members on all levels of organisation,
- represented their interests in politics and society, and in doing so, prevented the founding of special unions for foreign workers,
- demanded equal pay for equal work for the foreign workers,
- launched a wage policy that aimed at a strong increase of wages and even at the abolishing of low wage categories that included mainly foreign workers,
- introduced the right to active and passive voting for foreigners in the elections for members of works council and for trade union representatives,
- organised special representation for foreigners from their own ranks through language, information, education and bonding, choosing fellow countrymen as trade union secretaries,
- and later launched their own structures of representation - as done by other groups of members - which until today enjoy high appreciation by preserving and asserting social, union and political interests.

Within these structures of representation, foreign workers articulate their own demands on unions, politics and society. They are aware of the support of a big organisation. With this policy it was also possible to persuade the employers to cooperate with the unions to defend the interests of foreign workers and their equal treatment. More and newer initiatives and campaigns have been launched which, for e.g., aim at fighting against discrimination and racism as well as for the improvement of the foreign workers qualifications. These campaigns enjoy broad support in enterprises and in society. The same applies to other social partners such as churches, refugee organisations, clubs for foreigners and many more.

In addition, the unions nourished and further developed their dialogue with governments and ministries so as to express demands for the improvement of the conditions of foreign workers and to establish legislation that guarantees the right of equality and equal treatment of foreign workers.

It has not been and is not an easy task, especially during the last sixteen years - the era of the 'Kohl coalition'. Since 1983, the year in which recruitment was stopped, German policy aimed at blocking immigration. Immigrants were no longer regarded as a challenge or as an opportunity for society but more as a threat. The integration of foreigners was prevented by restrictive legislation that created different groups and a different legal status. Xenophobia and fear of different religions and cultures were fostered. This policy resulted in sheer exclusion.

Foreigners would not have had any support without their allies, the unions, which constantly demanded an improved legislation, equality and equal treatment in education and employment. The unions also warned against the high costs of non-integration as opposed to integration.

They made use and still make use of all opportunities that are open to them:

- the 'Week of the foreign fellow citizen/inter-cultural week',
- information brochures and posters articulating demands,
- seminars, workshops and educational events,
- the political opportunities of the foreigners' representative in the States and the federal government and their yearly report on the situation and condition of immigrants,
- the representation in foreigners' committees in municipalities and the States,
- question times in parliaments,
- conferences and training-courses, and,
- press announcements and statements as well as all possible forms of public relation and exertion of influence on behalf of foreign workers.

### **The new German Government**

The Social Democratic Party of Germany (SPD) and Alliance 90/The Greens - have promised a new policy. The coalition agreement has addressed almost all important demands of the unions. The new government has promised to fulfil them swiftly, and without bureaucratic hindrances.

They aim at:

- the implementation of new legislation with regard to citizenship,
- the integration through language/school and profession/vocational training,
- the fight against discrimination and racism,
- the right to vote and the integration of non-EC foreigners (citizens of third world countries),
- the fight against unemployment (the rate of unemployment among foreign workers is double that of Germans), and,
- the finding of vacancies for vocational training and jobs for all youths.

These measures will contribute to a far-reaching integration of foreigners and will result in peaceful co-existence, equality and equal treatment of immigrants. It will also bring Germany closer towards the standards in other European countries, where a policy of integration is normal and is already practised. In face of the fact that our societies are ageing, immigration of foreign workers will become even more important since without them it will not be possible to guarantee an adequate provision for the elderly.

Several developments within the European context are necessary. These can be achieved by the German Presidency in the first half of 1999. They are:

- a job creating scheme,
- a social policy scheme 2000,
- the fight against racism through positive actions,
- liberal regulations for non-EC citizens,

- the introduction of a European citizenship,
- an eastward extension through dialogue and support as well as the regulation of immigration,
- the enhancement of education and training, and,
- a regulation for the admission of refugees.

## **The IG - Metall**

After the early establishment of '**Working Groups of Foreign Workers**',

- the 'Department of Foreign Workers' was founded in 1962,
- it was transformed into a 'Division' in 1973,
- in 1974 the Metal Workers' Union created a 'Working Group on Foreigners' Policy on Federal Level ',
- guidelines for the co-operation with different membership groups were ratified in 1979, and
- the working groups were transformed into committees in 1984.

Until today these structures are an important tool of union work for integration. They ensure the integration of foreigners as workers, as members of works councils and as trade union representatives. Although the main field of the work lies in enterprise related schemes, trade unions do pay attention to other important issues such as social politics and social policies.

Today the IG Metall represents

- More than 282,000 of the 476,900 foreign workers in metal industry. That means an organisational representation of 57 %.
- 10% of the trade union members are foreigners.
- They participate in all committees and on all levels of the union structure, however, their number in some committees still does not represent the actual membership rate.
- Foreign committees exist in more than 100 administrative trade union offices.
- The interests of members in enterprises are cared for by around 8,000 trade union representatives and 3,000 works council members of foreign nationality.
- They are equal and equally treated regardless of their nationality, origin or religion.
- In line with the statutes they enjoy the same rights and have the same duties.

## **On the Federal Level**

As delegates and members with equal rights foreign members have for many years been active in the largest bodies of the union - **the congresses** - and also in the **advisory council** which is the largest body in-between the congresses. It is here that they contribute to the articulation of positions and ratification of the policy of the IG-Metall during the four years term of office.



Between 1992 and 1995 one foreigner - a Turk - was a member of the **Federal Board of the IG-Metall**. Among roughly 30 divisions within the board's administration there is one **'Division for Foreign Workers'** which is headed by a foreigner - like me. Here, 5 political secretaries and 4 administrative officers from different countries work together.

They formulate, represent and push the interests of foreign members. They also accompany, educate and support them. They build a bridge and act as mediators between language and mental barriers that still exist. Their expertise is appreciated in questions relating to foreigners and other issues regarding the organisation and the society. For that purpose they prepare a variety of information and educational materials that are especially used during national, bi-national and international seminars.

The main tasks the Division for Foreign Workers has to focus on:

- a campaign aimed at winning new members,
- enforcing agreements against discrimination,
- the creation of an awareness for further qualifications and respective opportunities,
- the political implementation of demands for social and political equality.

The **'Division for Foreign Workers'** fulfils a cross-sectional task within the organisation. It plans the activities and main points of our work and launches various initiatives. It is active at the national and international levels - especially at the European level and co-ordinates educational schemes with and for foreign workers. It also co-operates with other departments inside and outside the organisation, e.g. the German Confederation of Trade Unions - DGB, ministries and other partners.

### **On the District Level**

The foreign workers are active as district secretaries and members in the district commissions and other committees. On this level, the co-ordination of foreign workers' related schemes within the respective administrative departments takes place.

### **On the Local Level**

The administrative departments of the union as well as the enterprise level are the most important constituents of our work. We recruit our members where they live and work and co-operate with them in taking up their case in the factory and in society. Yet, their number compared to their membership is still rather low, with 3% in the local trade union administrations and 4% in the union's representative meetings.

The administrative departments form the basis of the organisation's structure. The foreign members participate in the union's bodies such as the local administration,

the representative meetings (the local union-parliament) and also in the various committees e.g. for trade union representatives, employees, women, trade, youth, education and in their own committees for foreign workers. At this level they can also be directly elected as delegates to the union's congress.

During conferences on the federal and the district levels, they discuss and ratify their own union demands and submit them as recommendations to the organisation. Only the congresses and the advisory councils are allowed to vote on the submissions. Positions can also be ratified by the Federal Board. Through political influence the most important demands and positions are submitted to governments and to parliaments.

Within the organisation the foreign workers have given themselves a '**Work Programme 2000**', where the most important goals and aims have been drawn up and will be realised step by step.

In order to work for our goals more efficiently, a '**Working group on Migration**' with representatives from all German trade unions acts at the level of the Federal Board of the German Confederation of Trade Unions. The various unions have different schemes and different representative measures for foreign workers. At present several trade unions are in the midst of a fusion process. Therefore it is important to achieve a common understanding on positions and demands not only at the level of the German Confederation of Trade Unions but also to work for an agreement and a common position on our demands towards the European and international levels. That will also include the respected international organisations such as the **European Trade Union Confederation** and the **International Confederation of Free Trade Unions**.

Internationalism and solidarity need to remain the basis of our work because migration movements will continue to exist at international and world levels.

**SOUTHEAST ASIA REGIONAL CONFERENCE ON  
MIGRANT WORKERS AND THE  
ASIAN ECONOMIC CRISIS:  
TOWARDS A TRADE UNION POSITION  
BANGKOK, THAILAND  
5<sup>TH</sup> TO 6<sup>TH</sup> NOVEMBER 1998**

**CONFERENCE RESOLUTION OF THE PARTICIPANTS**

We,

Aware of the increasing trend of labour migration in Southeast Asia and recognising that migration is not a temporary phenomenon, but a structural part of globalisation;

Noting that the recent Asian financial crisis has created adverse impact on the working people in Southeast Asia,

And that the crisis has also caused an increase in hardships and abuse of rights amongst migrant workers, especially women and undocumented migrant workers;

Upholding the desirability of co-operation between workers in the host countries and migrant workers;

We hereby propose the following platform for co-operation:

For the formulation of trade union policies on migrant workers, and developing programmes to increase the awareness of their membership on the issues;

For trade unions to actively assist in educating the migrant workers on unionism and their labour rights;

For unions to facilitate the participation of migrant workers in local trade unions; and where such involvement is not feasible, trade unions should attempt to change the legal framework;

For trade unions in the region to facilitate better information exchange and strengthen co-operation on the issue of migrant workers;

For National Trade Union centres to organise programmes for the purposes of extending assistance to foreign migrant workers, including the following:

**Implement education programmes on existing national laws and regulations related to labour and migrant workers;**

**Protect the rights of migrant workers based on existing and applicable legal instruments;**

**Liaise with migrant workers' associations and groups operating in the region;**

**Develop appropriate support and legal programmes for migrant workers;**

**Create a forum for continuing dialogue/exchanges between trade unions and migrant groups for mutual understanding and co-operation.**

**Utilise tripartite mechanisms to address the issue of migrant workers.**

**For trade unions to actively lobby for the adoption of appropriate measures to protect the rights and welfare of migrant workers in accordance with existing and relevant ILO conventions and similar international agreements pertaining to migrant workers;**

**For trade unions to support the international campaign for the ratification of the international instruments, such as the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.**

**For the migrant organisations and trade unions at the national and regional levels to conduct regular exchanges through information sharing, dialogues, exchange visits and conferences.**

## **ABOUT THE CONTRIBUTORS**

Norbert von **Hofmann**, Head of Office for Regional Activities in Southeast Asia, Friedrich-Ebert-Stiftung in Singapore

**Tian Chua**, Director, Labour Resource Centre in Kuala Lumpur, Malaysia

Syed Sultan **Uddin Ahmed**, Assistant Executive Director, Bangladesh Institute of Labour Studies, Dhaka, Bangladesh

**Albert S. Yuson**, Philippine Co-ordinator, International Federation of Building and Wood Workers, Manila, Philippines

**Dr. Voravidh Charoenlert**, President AROM Foundation, Bangkok, Thailand

Ms. **Evelyn Wong**, Director, Singapore Institute of Labour Studies, Singapore

Matthew Wong, Assistant Director, International Affairs, National Trade Union Congress, Singapore

**Balan Nair**, Regional Secretary for Asia and Pacific, International Federation of Building and Wood Workers, Kuala Lumpur, Malaysia

Ms. **Kim Vu Jin**, Director, Policy Department, Korean Confederation of Trade Unions, Seoul, Korea

**Manuel Campos**, Director, Department for Foreign Workers, IG Metal, Frankfurt, Germany