

II. Migration Trends in Southeast Asia

Southeast Asia is an emerging market in the global economy, reporting complex intraregional dynamics among the countries. Demand for—and supply of—foreign labor increased significantly during the 1970s and into the late 1990s with the deepening of globalization, including contrasting demographic trends, enhanced educational opportunities, political developments, as well as economic booms and busts. Southeast Asian countries have increasingly benefited from—and in some cases come to rely on—migrant foreign earnings. Remittance flows operate in a context of diverse regulatory environments and mixed competition, yet a vibrant economic influx with volumes estimated at approximately a third the global total for South Asia, Southeast Asia, and the Pacific region (i.e., around US\$33 billion).

This section identifies the main trends of regional migration in Southeast Asia and offers a profile of the demographic and social characteristics of immigrants in Hong Kong, China; Japan, Malaysia; and Singapore. What follows is a synthesis of current trends in remittance transfers within the context of migration flows, estimated remittance volumes, the structure of intermediation for remittance transfers, prevailing regulatory environments, and the position of banking financial intermediation.

Table 2.1: Southeast Asian Migration Corridor—Main Economic Indicators

Country	per Capita GDP ^a (current international)	Human Development Index ^b	per Capita Foreign Direct Investment ^a (US\$)	Unemployment ^b (% of total labor force)	% of Population below Poverty Line ^c
Cambodia	2,000.92	0.556	10.89	2%	35.9
Indonesia	3,227.81	0.682	(-15.69)	6%	18.2
Malaysia	9,130.40	0.790	12.06	4%	7.5
Philippines	4,171.06	0.751	14.58	10%	34.0
Singapore	24,006.40	0.884	339.26	3%	...
Thailand	7,009.47	0.768	58.00	2%	9.8
Viet Nam	2,304.78	0.688	16.35	n.a.	28.9

FDI = foreign direct investment; GDP = gross domestic product; HDI = human development index; n.a. = not available

Sources: ^a United Nations Development Programme, *Human Development Index 2001*; ^b World Bank, *World Development Indicators 2004* (figures from 2001); ^c Asian Development Bank, *Key Indicators 2004*.

A. Migration Trends in Southeast Asia

Contemporary Southeast Asia is a region with high levels of labor migration, mostly in the short term but also in the long term. Most immigrants live and work legally in the host countries based on short-term labor contracts and work visas, but undocumented migration is a growing phenomenon. Another significant emerging trend is the increasing number of female migrants, especially those who independently decide to migrate. Some countries such as Japan and Singapore are predominantly immigrant recipients. Other countries, including the Philippines and Indonesia, mostly send emigrants and workers. Malaysia is both an

immigrant recipient and labor migrant sending country. The human movement involved in labor migration is of enormous economic importance. Indeed, “sending labour abroad has become the largest single foreign exchange earning activity, outweighing commodity exports, in the national economy in a number of Asian labour-surplus nations”.²

Among the significant trends in Asian labor migration is government awareness of the phenomenon, and related attempts by the state to variously control and capitalize on the benefits and burdens associated with this movement. Southeast Asian countries with labor surpluses establish facilitating or regulating labor export agencies within the government bureaucracies, attempt to enhance the value of remittances through an array of policies (e.g., tax breaks or forced remittances), and try to establish bilateral agreements to protect their nationals working abroad. Importantly, sending countries recognize and encourage the return of their citizens working in other countries, and therefore also provide assistance with re-adjustment or encouragement to highly skilled workers to return home. Although one of the biggest reasons for government involvement is remittances, paradoxically official data are arguably a significant underestimate of the numbers.

1. Hong Kong, China

Foreigners in Hong Kong, China, make up approximately 340,000 residents of this island area of 6.8 million people (95% of the population is ethnic Chinese). A significant number of these foreigners are permanent residents of Hong Kong, China, but most are temporary workers. About 70%, or 240,000, of the temporary migrants are from other Southeast Asian countries. The largest sending country is the Philippines—about 142,000 Filipinos. Indonesia follows with nearly 108,000 migrants. The third biggest source of foreigners is not an Asian country but the United States, and Thailand is the fourth biggest migrant-sending country with almost 30,000 immigrants. Immigrants in Hong Kong, China, are also from a range of other countries, including other Southeast Asian countries like India, Japan, and Nepal.

Most Asian migrant workers in Hong Kong, China, are what the Hong Kong, China, Government calls “foreign domestic helpers” (FDHs) and are often called “foreign domestic workers” (FDWs) by migrant groups. These migrants are overwhelmingly females from the Philippines and Indonesia; the two countries supply 96% of FDHs. They usually come to Hong Kong, China, legally on a 2-year work FDH visa that is governed by strict regulations but lack consistent enforcement. FDH comprise 88% of Hong Kong, China’s migrant worker population. In addition to the FDHs, Hong Kong, China, legally admits about 1,200 workers under the Supplementary Labour Scheme and also has other employment visas, some of which are held by Asian migrants. A further number of foreign Asians work in Hong Kong, China, illegally, mostly by overstaying their tourist visas or working in the sex trade.

Because of their numerical predominance, this report focuses on the profile and remittance sending practices of FDHs. FDHs have had a fast-growing presence since the early 1980s, although their numbers have largely stabilized since 2000. In 1982 there were about 20,000 FDH and over the past 5 years, the number of FDHs has ranged from 217,000 to 237,000. Numbers are relatively easy to determine because the Hong Kong Immigration Department collects these numbers based on work visas, and most FDH are in legally.

The age, gender, and country profiles of FDHs are largely consistent. These migrants are overwhelmingly female and 80% are aged between 21 and 40 years old. Filipinos and

² Hugo, p. 59.

Indonesians account for 96% of the FDH population followed by Thailand's 2.2%. Filipinos predominate: the number of Filipinos grew steadily from 1985 to 1995, then at a slower rate until 2001, and has since declined. The peak was 155,000 in 2001, since when numbers have fallen by 23%. The number now appears to have stabilized at around 120,000. The Indonesian FDH population grew from around 1,000 in 1990 to 92,000 in 2005, with the rate of growth slowing over the past 2 years. There is also a very small number of FDHs from other countries.

Official figures on how long FDHs stay in Hong Kong, China, are not available. Other indications of length of stay are available, but limited in terms of accuracy. First, although FDHs sign a standard 2-year employment contract and 2 years therefore accounts for the length of stay of many migrant workers, many others stay for longer by renewing or replacing contracts. On the other hand, some employees lose their jobs after less than 2 years. Second, in a 2001 study of Indonesian migrants, the ATKI-HK consulting group found that a third of the population had been in Hong Kong, China, less than 1 year, and 78% less than 2 years. The figures suggest a high turnover rate, with relatively few surviving beyond the first contract. This implication was complicated by the Indonesian migrant population growing strongly at the time, which could alter future patterns.

One way migrants attempt to facilitate necessary services and decrease exploitation is through migrant worker organizations, of which there are over 30 in Hong Kong, China. These organizations provide assistance to individuals (e.g., overcharging by employment agency); lobby governments, organizations, and individuals for improved regulations or protection for migrants; and provide cultural, educational, and other activities. This range of goals is underscored by the diverse makeup and missions of these groups, which are variously religious, national, or issue-based in origin. As a whole, the groups provide valuable services and support to FDHs. Nevertheless, their aims are sometimes undermined by structural features such as the transience of worker-volunteers, difficulties of establishing a single voice among so many groups—especially with respect to liaising with government officials, and possible competition between and among immigrant NGOs.

Despite these limitations, FDHs do have numerous organizing advantages upon which they could build. These include the large number of migrants in Hong Kong, China, the relatively homogeneous nature of the workforce; Hong Kong, China's economy's reliance on their cheap labor; and, from their home countries' perspectives, the importance to the Philippine and Indonesian economies of their remittances. Conversely, these migrants ability to successfully lobby for improvements is also constrained by many factors: being female, poor, divided predominantly between two major national groups within Hong Kong, China, only having short-term contracts, not having many rights, and being subject to a vast pool or alternative labor sources from their own and other countries. Success in improving the policy climate is likely to be facilitated by high levels of FDH unity and focus in lobbying the Hong Kong, China, Government and/or enlisting the support of their home country governments in the Philippines and Indonesia. Ideally, such efforts should not be limited to Hong Kong, China, but should occur for all Asian countries to, for example, prevent exploitation by employment agencies. Indeed, the Philippine Government in 2001 successfully lobbied to allow the direct hiring of domestic helpers for Hong Kong, China, without needing the involvement of an agency, thereby avoiding agency fees, one of the greatest costs to FDHs.

2. Malaysia

Two laws govern Malaysia's recruitment of foreign workers, namely the Immigration Act and the Employment Act. The major instrument used to regulate the inflow of migrant workers into Malaysia is the work permit.³ Work permits are issued to all foreign workers to authorize their entry and employment. There are two types of work permits used to target skills levels. Unskilled and semi-skilled workers are classified as those earning below Malaysian Ringgit (RM)2,000.00 (US\$526)⁴ per month. This group of workers is generally termed as "migrant workers" or "foreign workers." Those earning RM2,000 and above, classified as "professional workers" and popularly termed "expatriates," are issued with employment passes if their employment contracts are at least 2 years. Expatriates on short-term contracts (less than a year) are issued visit passes for professional employment (Kanapathy 2001). Another instrument of foreign labor management is the foreign worker levy. The annual levy varies by sector and skills. The main aim of the levy is to raise the cost of hiring and discourage the use of foreign workers. The annual levy ranges anywhere from RM300.00 (US\$79) to as much as RM1,200 (US\$315) per year for each worker.⁵

Despite the apparent clarity of the work permit and levy policies, labor migrants in Malaysia face a more complicated policy reality. For a start, migrant labor policy is shaped by two different government organizations; the Home Affairs Ministry, under whose purview the Immigration Department falls, and the Human Resources Ministry, which looks into the labor needs of the country. Second, different immigration departments in Malaysia have varying rather than uniform rules and procedure (*ILO Workshop, KL, 2005*). Third, there are differences in immigration laws and policies between East and West Malaysia, with the former having greater autonomy to set immigration policy. Finally, there have been frequent policy shifts to accommodate demands from employers to ease critical labor shortages, as well as to document and legalize the large number of undocumented migrant workers in the country. This has been frequently described as "stop-go" or adhoc especially after the amnesty given in early 2005.

Indonesians constitute the bulk of the foreign worker population, accounting for about 73%. According to the Foreign Workers Division of the Immigration Department of Malaysia, the total number of documented migrant workers in Malaysia currently stands at about 1.43 million. After an amnesty offer that ended on 28 February 2005, there were still about 300,000–400,000 undocumented workers (*The Sun* 2005). As of May 2005, there were over 34,000 foreign professionals and highly skilled workers employed in the country, mostly in the manufacturing and services sectors. The largest group of these expatriates is Japanese, followed by Indians and Singaporeans.

In West Malaysia, migrant workers are concentrated in the Klang Valley, the island of Penang in the north, and Johor Bahru, which is south of the peninsula. The largest group is Indonesians, followed by Nepalese and Indian migrants. One significant group of migrant workers in West Malaysia is domestic workers or maids. According to the Home Affairs Ministry, almost 230,000 of the 240,000 foreign maids in Malaysia with recognized legal status are from Indonesia, 6,000 from the Philippines, and the remainder from Cambodia and Sri Lanka. The Indonesian maids work 16–18 hours a day, 7 days a week, and earn less than US\$5 per day. They are not protected by Malaysia's labor laws, as these exclude domestic workers.⁶

³ Malaysian policy does not provide for residential status for migrant workers.

⁴ Since 21 July 2005, Malaysia has adopted a managed float system for the ringgit exchange rate.

⁵ Immigration Department, Malaysia

⁶ This information about migrants working in domestic labor was reported in *The Sun* newspaper on 19 May 2005, and in turn was from a New York-based Human Rights Watch Group.

While immigration law and policy in West Malaysia is based on national law, immigration policies and procedures in East Malaysia (Sabah and Sarawak)⁷ are a state matter, and detailed statistics, including data on illegal immigrants, are not published. This parallel legal structure has its roots in 1963 when Sabah and Sarawak joined Malaysia with a 20-point agreement, including the right for the region to maintain control over immigration matters. However, a composite picture may be assembled from published reports, which show that Sabah alone may have as many as 30,000 Indonesians, and about 200,000 Filipinos,⁸ as well as nationals from other countries, most notably Pakistan, working there as migrant labor.

A summary of the Philippine Embassy's official estimate of the number of Filipinos in Malaysia follows. According to these figures, most Filipino migrants are in East Malaysia. Over half the migrants in Peninsular Malaysia are domestic workers. In addition to these household workers, Filipinos work about all in hotels, restaurants, and resorts, with very small numbers in construction, plantation work, and skilled professional work. Embassy figures for East Malaysia suggest about half the immigrants are undocumented. In practice, however, the number of undocumented Filipino migrants is difficult to establish, especially in Sabah due to its porous border with Southern Philippines. In East Malaysia, most Filipino workers are involved in the agriculture/plantation (31%), construction (21%), services (20%), and manufacturing sectors (16%) with the rest (12%) in logging, household work, fishery/livestock, and mining.⁹

Table 2.2: Filipinos in Malaysia as of December 2004

Location	Sector	No.	%
Peninsular Malaysia	Professionals (engineers, architects, supervisors, information technology specialists, managers)	2,421	19
	Islamic Students	24	0.19
	General Workers/Construction Workers	578	4.6
	Domestic Helpers	6,601	52.2
	Holders of Dependent Visas	2,500	20
	Undocumented	500	4
Subtotal		12,642	100
Sabah and Sarawak	Holders of Work Permits	9,000	4.5
	Holders of IMM13 (stateless/refugee visa)	70,000	35
	Holders of Permanent Residency Visa	21,000	10.5
	Undocumented	100,000	50
Subtotal		200,000	
Total		212,624	100

Source: Embassy of the Republic of the Philippines in Malaysia.

⁷ East Malaysia consists of the two states of Sabah and Sarawak across the South China Sea on the island of Borneo.

⁸ Embassy of the Republic of the Philippines in Malaysia.

⁹ Embassy of the Republic of the Philippines in Malaysia.

A market research company conducted a survey of migrants in the peninsula. Most of these foreign workers are Indonesians. Majority of the population surveyed is within the age groups of 21–40 years, 70% are male, and have basic education of primary and high school. (Less than 5% have a college education.) Most are probably in the construction industry with a good number of females who may be either construction workers or maids. Those having college degrees likely fall into the “expatriate” community. (In addition to Indonesians, survey researchers identified small numbers of Indians and Bangladeshis. The numbers of respondents were, however, too small to be useful to this analysis.)

3. Japan

A conservative estimate of Asian migrant workers in Japan who remit to their home countries is 1,423,000. This figure is based on the Japanese Immigration Association’s count that there are more than 180,000 Filipino residents, more than 22,000 Indonesian residents, and about 9,000 Malaysian residents in Japan as of the end of 2003. This figure undercounts actual migrants and remitters as it does not include shorter-term migrants, which are not registered as residents.¹⁰

Defining and counting migrants, and therefore, remittances, is complicated by a several factors. Chief among these reasons is competing definitions. Based on the International Monetary Fund (IMF)’s Balance of Payment Manual, Fifth Edition (BOPM5), a migrant is “a person who comes to an economy and stays, or is expected to stay, for a year or more.” In other words, migrants are considered residents of that economy. In contrast, Japan calculates remittances in the national balance of payment (BOP) statistics based on the Foreign Exchange and Foreign Trade Law (FEFTL) that states that “worker remittances from Japan by foreigners who are the residents of Japan are recorded in worker’s remittances of the BOP statistics in Japan.”

The survey of immigrants conducted for this study gives an expanded demographic profile of Asian immigrants to Japan, though as is explained below, the survey was biased in key ways and therefore this profile should be taken as suggestive rather than definitive. Most Filipino workers (68% of the responses) are female, between 21 and 40 years of age. An even larger majority of Indonesian workers surveyed was male (82% of the responses) and between 21 and 40 years of age. Indonesian workers seem to stay in Japan for shorter periods than Filipino workers, which is consistent with the point that a major portion of surveyed Indonesian migrants were trainees and students: 50% stay in Japan less than one year and 22% between 1 and 3 years. In contrast to the uneven male-female division among Filipino and Indonesian immigrants, gender distribution of Malaysia workers surveyed was balanced well. The majority (71%) of respondents were between 21 and 30 years old. They often live in Japan for more than 1 year (39% have been living in Japan 1–3 years) and 90% answered that they have completed college degree, leading surveyors to think that the majority of those questioned might be students.

4. Singapore

Singapore’s foreign workforce has historically played a vital role in its economic development. In the past, it has made up as much as half the total workforce. Today, foreign

¹⁰ There are about 2 million officially registered foreign workers in Japan. Annual net increase of migrants in Japan in 2003 was over 100,000 people.

workers continue to be critical to the economy, comprising 28% of the total workforce in 2004, according to the Ministry of Manpower (MOM), Singapore's labor ministry.

MOM issues three types of permits for foreigners to work in Singapore: the work permit, the employment pass, and the "S" pass. The work permit is for unskilled and low-skilled foreign workers whose monthly salary does not exceed Singapore dollars (S\$)2,500, among other criteria. These workers are usually in the construction, manufacturing, marine, domestic help, and low-skilled service industries. Work permits are restricted to citizens of the following countries: Bangladesh, Hong Kong, China, India, Macau, Malaysia, Myanmar, Pakistan, People's Republic of China (PRC), Philippines, Republic of Korea, Sri Lanka, Taipei, China, and Thailand.¹¹

The employment pass is issued to foreigners with acceptable degrees, professional qualifications, or specialist skills and whose monthly salary is above SG\$2,500, in addition to other criteria. These skilled foreigners mainly work in the finance, real estate, and high-technology industries as specialists, managers, executives, and entrepreneurs. Employment pass holders are generally wealthier and more independent. They are allowed to bring their families to Singapore and thus have few economic links back to their home countries. There are no restrictions on the nationalities of employment pass holders.

The "S" pass was created in July 2004, with the objective of increasing flexibility to meet industries' needs for middle-level skilled foreign workers with postsecondary qualifications and above. The minimum monthly basic salary must be SG\$1,800. There is no restriction on the nationality of "S" pass holders, no maximum duration of employment in Singapore, and no maximum age of employment as with work permits.

MOM uses two main policy tools to regulate and control the inflow and employment of foreign workers: the dependency ceiling (DC) and the foreign worker levy (FWL). The DC determines how many foreign workers an employer is allowed to hire in proportion to Singaporean workers. The FWL is a monthly levy paid by the employer to the Government. The DC and FWL are set depending on the industry and have been adjusted periodically to meet the changing needs of industries and Singapore's policies on foreign workers. As of December 2004, official government figures identified 621,400 foreign workers in Singapore. Of this, an estimated 500,000 foreign workers were work permit holders.

Singapore's largest source of low and unskilled foreign labor is South Asia (India, Sri Lanka, Bangladesh), followed by Malaysia and the PRC. The largest employment sectors are for domestic help, construction, and manufacturing. Foreign workers in the construction and marine sectors are male while domestic helpers are female. The service sector—which includes hospitals, hotels, retailers, and restaurants—employs a mix of male and female foreign workers.

In addition to the officially sanctioned sources of labor, there are also significant numbers of foreigners without work permits. Among these are mostly Malaysians with 90-day social visit passes and PRC and Thailand nationals on 2-week to 1-month tourist visas. Malaysians usually find "day" labor in factories or the numerous small food service outlets while the tourist visa holders generally freelance in social vices including drugs and prostitution.

FDHs represent one of the largest groups of foreign workers in Singapore. They number approximately 150,000, or 30%, of all work permit holders. The vast majority (90%) are from the Philippines and Indonesia with the remaining 10% mostly from Sri Lanka. They

¹¹ Singapore classifies these countries under the following categories: Traditional source (Malaysia), Non-traditional source (Bangladesh, India, Myanmar, Pakistan, Philippines, Sri Lanka, and Thailand), North Asia source (Hong Kong, China, Macau, People's Republic of China (PRC), Republic of Korea, and Taipei, China).

are all female, recruited into Singapore by employment agencies, and generally work on standard 2-year contracts.

There is a clear dichotomy in treatment between Filipino and Indonesian FDHs. Filipino FDHs are paid about 30% more than Indonesian FDHs and usually get 1 or 2 days of rest a week, which Indonesians typically do not receive. Placement fees for Indonesian FDHs are higher, averaging over S\$2,000 or 8 months' salary, compared with Filipino FDHs, which average S\$1,800 or 5 months' salary.

This disparity with respect to Indonesian and Filipino FDHs is widely justified as a product of market forces. Filipinos are perceived to be older, have better education, be more highly skilled, and have superior English language skills. Whether this disparity is really market driven is highly debatable. Filipino FDHs tend to have better education but also have well-established network and support systems to get better labor terms and conditions. Indonesian FDHs will accept poorer terms of employment than their Filipino counterparts, presumably because of lack of choice in addition to lower skills.

There is no minimum wage for foreign workers. Until recently, MOM allowed the market to establish standards of practice for the employment of FDHs. From 2005, MOM instituted a set of requirements for all new (those who have not worked in Singapore previously) domestic helpers. New domestic helpers had to be at least 23 years old, have at least 8 years of formal education, and pass an English competency test. These requirements are perceived as biased against Indonesians. Following these changes, many employment agencies complain of a shortage of Indonesian maids. The requirement has ripple effects such as increasing agency fees to employers and a S\$50 increase in monthly salary to S\$280 to entice eligible Indonesian maids who would otherwise go to Hong Kong, China, Republic of Korea and Taipei, China, or elsewhere where salaries are higher. In contrast, the new requirements are benefiting Filipino maids. Some employment agencies are reporting a threefold increase in Filipino maid placements.

The Indonesian Government has attempted several measures to help improve the conditions of its FDHs. Such measures include accreditation of Singapore employment agencies by the Indonesian Embassy in Singapore, limiting FDHs headed to Singapore to one point of exit so that the Indonesian Government can better monitor the safety and whereabouts of Indonesian domestic workers as well as provide training, health checks, and other tests before departure for Singapore. Indonesia has also stipulated that employers of Indonesian domestic workers would be required to sign an agreement guaranteeing improved conditions of work. If implemented, these terms would greatly improve the condition of the Indonesian FDH. However, there has been no evidence in the market that these terms have been implemented.

Malaysians are preferred foreign workers in Singapore, and receive some privileges such as immigration access cards for frequent travelers and more liberal rules for staying in Singapore. A large number of Malaysian workers commute daily to work in Singapore; independent estimates are that 50,000 Malaysian workers cross the two land immigration checkpoints on their daily commute to work in Singapore. Daily commuters include an estimated 20% of undocumented workers (i.e. without work permits but with proper travel documents), with most working in the food services and manufacturing industries.

The total number of Malaysian work permit holders is independently estimated at 85,000, and together with undocumented workers, employment pass holders and permanent residents, the total number of Malaysians working in Singapore totals close to 165,000. The majority of work permit holders are in the manufacturing and service sectors while the

employment pass and permanent residents are in technical, managerial, and professional positions throughout the economy.

Of the estimated 60,000 Indonesian work permit holders in Singapore, virtually all are domestic helpers. An estimated 8,000 employment pass holders and permanent resident in the higher skilled professions are also resident in Singapore. Indonesia, despite being Singapore’s other close neighbor, is not on the approved source countries for employment in Singapore’s construction, manufacturing, marine, or service industries. There are an estimated 90,000 Filipino workers in Singapore of which an estimated 76,000 are domestic helpers. The remaining 14,000 hold employment passes and work in professional sectors.

Table 2.3: Immigrant Labor Population in Selected Host Countries

Host Home	Hong Kong, China	Japan	Malaysia	Singapore
Philippines	141,720	185,200	250,000	90,000
Indonesia	107,960	22,800	1,000,000	60,000
Malaysia	> 1,000	9,000	--	165,000
Total	249,680	217,000	1,250,000	315,000

Source: Official statistics from host country governments.

5. Women as Migrants: A Cross-Border Reality

Historically, labor migration has been dominated by men all over the world, including in Southeast Asia. One of the ways contemporary migration in this region has transformed is the large number of single women working in a country other than their own, in large part to support family members through remittances. These women overwhelmingly work in domestic labor situations. In addition to frequent employer pressure upon workers and would-be migrants, these women tend to face numerous challenges, some but not all of which are worse because of their gender.

Domestic labor tends to be among the most demanding jobs migrants receive: working hours tend to be extremely long; pay tends to be the lowest or among the lowest; and women are likely to be paid less, controlled more, and earn less than their male counterparts. Experience in other countries suggests that domestic assistants tend to be the most isolated migrants, cut off from fellow (and more experienced) migrants, likely to lack local language skills, possibly have undocumented status and have to pay the agency back, and have little understanding about any recourse for assistance, and be subject to sexual abuse as part of the “job.”

The sex industry is another likely arena where women migrants work. Understandably, this kind of information cannot be easily obtained in the kind of survey

research conducted for this study, so at this point one must necessarily develop informed speculations. In this context, it is imperative to note that the sex industry overwhelmingly uses women and girls rather than men. Sometimes these women and girls “choose” to go into the industry to earn an income, including remittances, but other times they are forced or misled into becoming sex workers.

B. Migrant Characteristics

There are several characteristics that define intraregional migration flows in the Southeast Asian countries studied. Demographic features such as gender and age, as well as the income and education levels of migrants, influence their purpose and duration of stay in the host country, and potentially influence remittance sending behavior.

1. Gender and Professions

Intraregional migration flows tend to be predominantly female, with the exception of Malaysian migrants, and Indonesians who migrate to Japan or Malaysia. The “feminization” of emigration from Indonesia and the Philippines has many contributing factors, among them the nature of the work available to migrants in the host country.

Based on survey results, two thirds of Filipino migrants to Japan are women, many of who work as entertainers. According to the Japanese Immigration Association, the total population of entertainers in 2003 numbered 65,000 individuals, 78% of which were Filipinos. Indonesians, on the other hand, represent just 2% of entertainers in Japan. Eighty two percent of Indonesian migrants to Japan are male. The two largest groups of Indonesian migrants to Japan are either classified as trainees (19%), or are granted residency for “designated activities” (26%).

Nearly all migrant workers from Indonesia and the Philippines to Hong Kong, China, and Singapore are women (see Table 2.4). FDH jobs are almost exclusively occupied by women. FDHs represent 90% of all Asian migrant workers in Hong Kong, China, and comprise 30% of the total migrant labor force in Singapore. FDHs from Indonesia and the Philippines, specifically, make up 96% of the FDH population in Hong Kong, China, and 90% of the FDH population in Singapore.

Table 2.4: Percent of Female Migrants in Destination Countries

Host Home	Hong Kong, China	Japan	Malaysia	Singapore
Indonesia	94%	18%	29%	100%
Malaysia	--	50%	--	26%
Philippines	97%	68%	58%	88%

Source: Survey of immigrant senders, Regional Technical Assistance No. 6212: Southeast Asia Workers’ Remittance Study, Asian Development Bank.

Distinct from Filipino and Indonesian workers, Malaysian worker permit holders in Singapore are mostly male and work in either construction or manufacturing and services

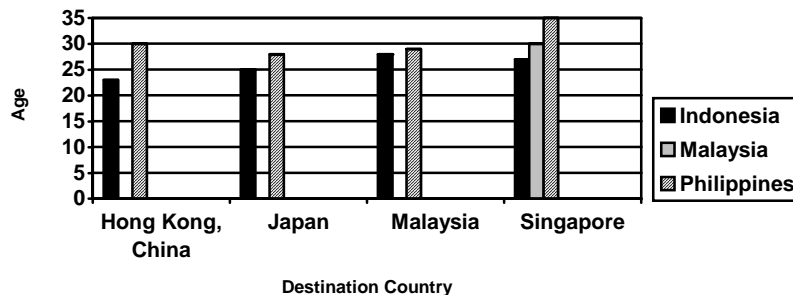
industries. These two categories comprise 70% (27% and 43% respectively) of all foreign work permit holders.

Like Hong Kong, China; and Singapore, nearly all Filipino female migrants to Malaysia are classified as domestic workers. Alternatively, more men than women migrate from Indonesia to Malaysia. Thirty five percent of these men work in agriculture, and another 35% work in construction and manufacturing.

2. Age and Education

Migrants in the Southeast Asia region are young, with the majority of respondents ranging in age from 25 to 30 years. Migrants surveyed in this study were 20 years of age or older. Indonesian migrants to Hong Kong, China; Japan; Malaysia; and Singapore were found to be consistently younger than their Filipino counterparts, as demonstrated in Figure 2.1 below.

Figure 2.1: Average Age of Migrants in Destination Countries



Source: Survey of immigrant sender, Regional Technical Assistance No. 6212: Southeast Asia Workers Remittance Study, Asian Development Bank.

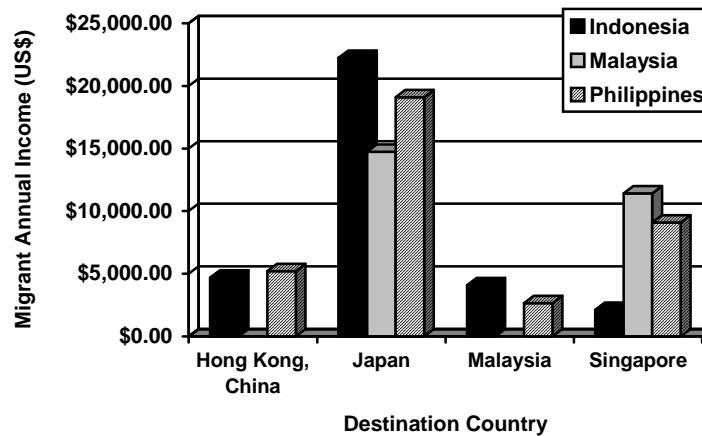
While the migrant population is young, they also appear to be relatively well educated. Among migrants surveyed in Hong Kong, China, Japan, Malaysia and Singapore, 84% have received at least a high school education. Almost all Filipino, Indonesian, and Malaysian migrants to Japan have completed high school. Most Indonesians working in Singapore (85%) have a high school diploma, while close to half those working in Hong Kong, China, and Malaysia (55% and 48% respectively) completed high school.

Filipinos are among the most highly educated. In all four migrant receiving/remittance sending countries, no less than 99% of Filipinos surveyed completed high school. Forty three percent of Filipinos in Japan; 74% of Filipinos in Hong Kong, China; 65% in Singapore; and 71% in Malaysia have completed at least some college and most possess a college degree.

3. Income

While it can be said that intraregional migrants share similarities in gender and age, and to a certain extent professions and educational attainment, the same cannot be said of income earnings, which vary widely across the region (Figure 2.2).

Figure 2.2: Average Annual Income of Migrants



Source: Survey of immigrant senders, Regional Technical Assistance No. 6212: Southeast Asia Workers' Remittance Study, Asian Development Bank.

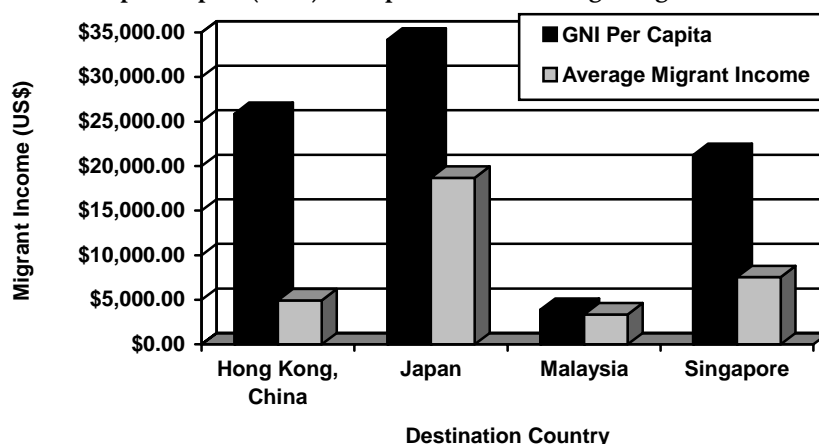
Income differences between Filipinos, Indonesians, and Malaysians working in Singapore are particularly striking compared with the other remittance sending countries. Filipinos working in Singapore earn 80% the income of Malaysians. Meanwhile, Filipinos earn more than four times as much as Indonesians. While Malaysians tend to occupy higher skilled positions in Singapore, the majority of Filipinos and Indonesians (92% among both groups) work as domestic helpers (as noted previously). Indonesians, moreover, are typically more willing to accept lower wages and employment standards than their Filipino counterparts.

Of the four migrant receiving/remittance sending countries profiled, foreign workers in Japan earn the most, with US\$18,688.75 annually on average, followed by foreign workers in Singapore who earn slightly over a third this amount, with US\$7,542.01 annually on average. However, the Singapore average annual earning amount masks the discrepancy—as noted above—between Malaysians, Filipinos, and Indonesians. Indonesians working in Singapore are the lowest income earners of all migrant groups profiled, with earnings of just \$2,118 on average annually, a figure that contrasts sharply with their fellow Indonesian countrymen in Japan who average \$22,232 annually, making them the highest income earners among all the migrant groups profiled.¹² Migrant workers in Hong Kong, China, average US\$4,950.25 annually, and \$3,364.91 on average annually in Malaysia.

When averaging income earned by Filipino, Indonesian, and Malaysian migrants by host country, results consistently show that their earnings fail to meet the gross national income (GNI) per capita of the host country (see Figure 2.3). The difference for migrants in Malaysia is relatively small, with workers earning 87% of the country's GNI per capita. Meanwhile, the gap widens for migrant workers in Hong Kong, China, who average earnings of just 19% of the country's GNI per capita.

¹² This figure might be high, considering Indonesian survey respondents included business men, educators and permanent residents in Tokyo.

Figure 2.3: GNI per Capita (2003) Compared with Average Migrant Income (2005)



Source: GNI per Capita, *World Bank Development Indicators 2003*; average migrant income estimates based on survey of immigrant senders, Regional Technical Assistance No. 6212: Southeast Asia Workers Remittance Study, Asian Development Bank.

4. Duration in Destination Country

In some cases, the longer migrants reside in the host country, the less likely they are to continue remitting money to family members in their home country. This behavior can be explained by various factors, including assimilation, migration laws favorable to family reunification, etc. In the case of Southeast Asia intraregional flows, however, remittance transactions exhibit consistency over time (see *Characteristics of Receiving Households, Amount, and Frequency* below), seemingly regardless of the length of time a migrant has been working abroad.

Filipinos living and working in Hong Kong, China, and Japan tend to stay approximately 5–6 years in the destination country, on average 1–2 years longer than their Indonesian counterparts. In contrast to survey respondents in Hong Kong, China, and Japan, Filipinos working in Singapore reported staying *twice* as long as their fellow countrymen working in the other destination countries. Indonesians working in Singapore, meanwhile, stay *half* as long as their fellow countrymen working in the other destination countries.

Table 2.5: Average Number of Years in Destination Country

Host Home	Hong Kong, China	Japan	Malaysia	Singapore
Indonesia	5.3	4.6	> 1 year, 98%	2.7
Malaysia	--	4	--	4.5
Philippines	7.6	6.1	> 1 year, 67%	6.5

Source: Survey of immigrant senders, Regional Technical Assistance No. 6212: Southeast Asia Workers Remittance Study, Asian Development Bank.

C. Immigrant Family Characteristics

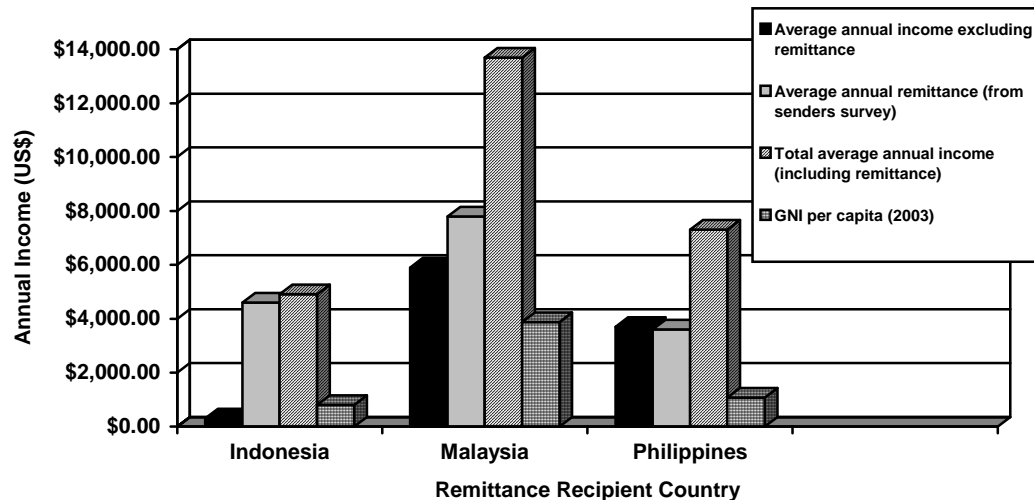
Surveys conducted among remittance beneficiaries in Indonesia, Malaysia and the Philippines correspond to demographic information obtained from migrants surveyed in Hong Kong, China, Japan, Malaysia, and Singapore. The following section details some key characteristics of migrant sending/remittance recipient households in the Southeast Asia region. Information on recipient household size and income, types of beneficiaries, their gender and age, enriches the discussion on the causes and consequences of the migration-remittance connection.

1. Household Size and Income

There are no significant differences in the household sizes of migrant sending families in the Indonesia, Malaysia and the Philippines. Migrants from all three countries come from households with approximately four other family members.

Among the remittance receiving households profiled in this study, Indonesian households appear to be the poorest. Figure 2.4 below compares average income per capita excluding remittance with average annual remittance, average income including remittance, and GNI per capita. While Filipino and Malaysian heads of migrant sending households, on average, earn 3.4 and 1.5 times more than the national average, respectively, Indonesian heads of migrant sending households earn less than half the GNI per capita (annual income excluding remittance of US\$306 compared with a GNI per capita of US\$810).

Figure 2.4: Average Annual Recipient Income (2005) Compared with GNI per Capita (2003)



Source: GNI per Capita, *World Bank Development Indicators 2003*; Average migrant income estimates based on survey of remittance recipient, Regional Technical Assistance No. 6212: Southeast Asia Workers Remittance Study, Asian Development Bank.

Remittance receiving households in Malaysia and the Philippines appear to earn, excluding remittances, roughly double their country's GNI per capita, deriving approximately half their income from remittances.

2. Type of Beneficiaries

Most migrants in the country's profiled report send money home to their parents, with the exception of Indonesians remitting from Malaysia. Eighty one percent of Indonesians working in Malaysia send money home to a spouse, rather than a parent (see Table 2.6 below).

Table 2.6: Main Remittance Beneficiaries

Host	Hong Kong, China	Japan	Malaysia	Singapore
Indonesia	50% parent	61% parent	81% spouse	66% parent
Malaysia	--	87% parent	--	74% parent
Philippines	49% parent	53% parent	50% parent	58% parent

Source: Survey of immigrant senders, Regional Technical Assistance No. 6212: Southeast Asia Workers Remittance Study, Asian Development Bank.

Secondary beneficiaries are—in almost all cases—the spouse of the migrant. The exceptions here, in terms of secondary beneficiaries, are the Indonesian households with family members in Malaysia (as mentioned above) who receive remittances from their children, and Malaysian households with family members in Japan receiving remittances from a sibling.

3. Gender and Age

On average, considering all the countries studied and based on surveys, nearly three quarters of remittance recipients in Malaysia and the Philippines are women, while more than half (60%) of remittance recipients in Indonesia are men. A closer look at individual corridors reveals that an Indonesian who receives remittances from a family member working in Japan or Malaysia is just as likely to be female as male. But this relative gender equality among households receiving remittances from Japan or Malaysia is counterbalanced by the large numbers of male beneficiaries receiving remittances from mostly female family members in Hong Kong, China, (74% male) and Singapore (78% male).

Consistent with results from remittance sender surveys, which revealed that most remitters are relatively young and typically remit to their parents, are the findings of remittance recipient surveys showing that beneficiaries tend to average 43 years in the Philippines, 40 years in Indonesia, and 37 years in Malaysia.