

Achieving and Benefiting from Skills Mobility within ASEAN

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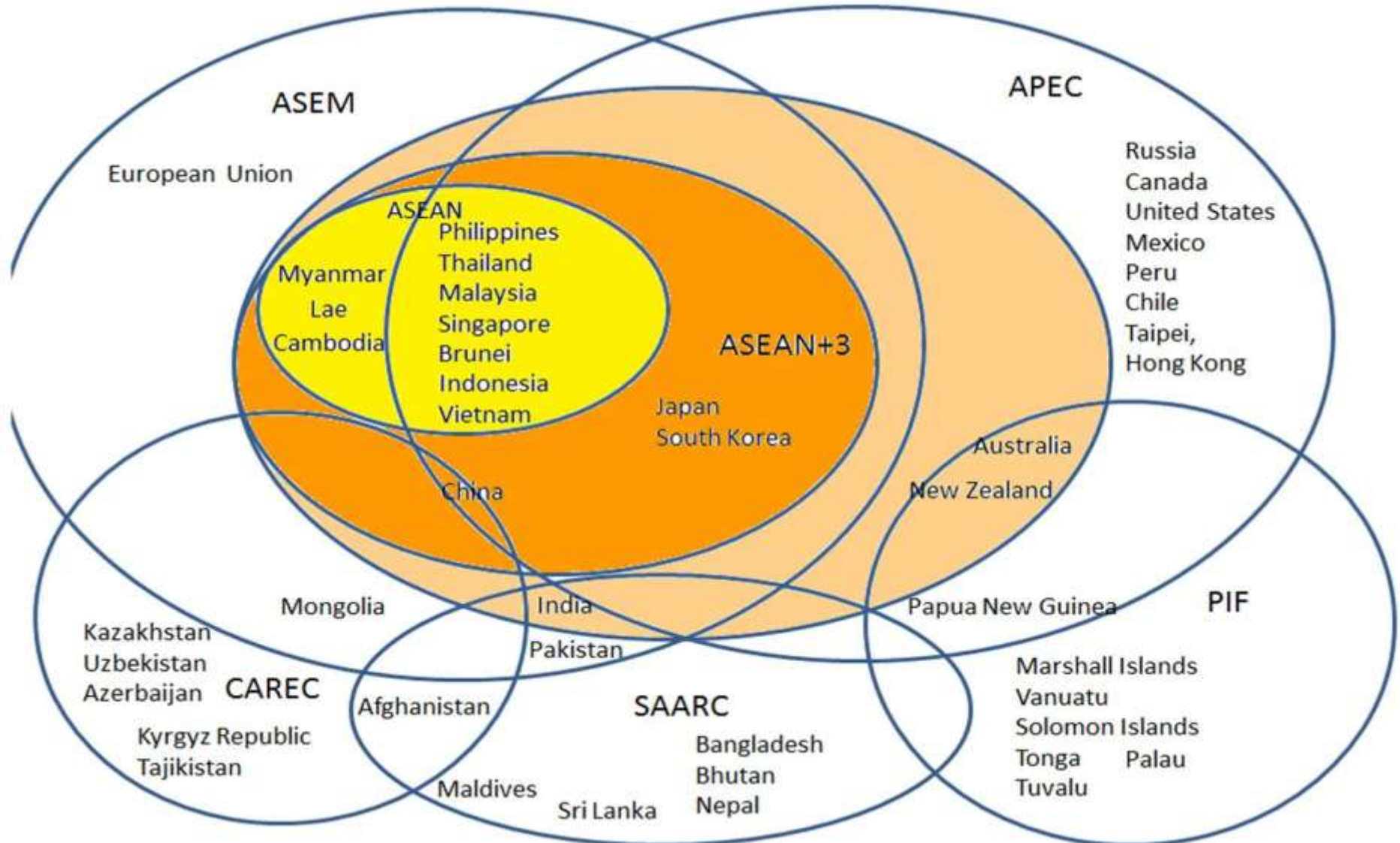


Japan
Fund for
Poverty
Reduction



ASEAN in the global context

Regional Economic Institutions in Asia-Pacific





The three pillars of ASEAN Community



ASEAN Economic Community 2015 and Beyond....

Single market and
production base

Competitive economic
region



Equitable economic
development

Fully integrated region in
the global economy

Key Component of AEC: Skill Mobility

- Free flow of skilled workers... as part of the 'Single Market and Production Base' in ASEAN.
- Foreign workers are really needed because:
 - Existing economic and demographic imbalances across countries.
 - A country can be rich or scarce in capital or labor creating capital or labor demand.
 - A country cannot produce all skills needed.

Therefore, skill mobility is needed!!

??? How to manage the skill mobility ???

Skill mobility in asean under AEC

- But ASEAN Leaders wanted for “Freer flows of Professionals” under the Managed and Transparent Skill Mobility System, which should be :
 - based on existing supply and demand gaps.
 - started from professional groups and expanded to other skilled workers.
 - under the complete control of the participating countries.

Benefits of Skill mobility in asean..

- Therefore, the direct benefit of skill mobility in ASEAN under AEC is very obvious, augmenting the domestic production and increasing productivity of workers and economy.

OTHER DIRECT BENEFITS...

- Creating a flexible and efficient labor market that would attract **investments** and **skill workers**.

This will impact in:

- Greater inflows of FDI
- Expanded trades in goods and services
- Rise in per capita income
- Narrower development gaps
- More competitive countries and

OTHER POTENTIAL BENEFITS...

- Encourage mutual recognitions of skills and talents to provide better jobs for Skilled workers.
- Services and firms will benefit from increased employment and productivity.
- Promote regional cooperation among education sector, training institutes, universities, and research institutions.
- Increase human capital and knowledge generation.
- Makes ASEAN attractive to investors and workers

HOW TO ACHIEVE THE GOAL...

- Facilitate skill mobility..
(visas and employment passes for business and skilled workers)
- Recognize professional qualifications
(under the MRAs)
- Improve human resource development
- Strengthen labor market efficiency, as well as regional cooperation and integration.

POTENTIAL ECONOMIC IMPACT ...

Based on BAU + new measures in line with AEC

By 2025, AEC could lead to:

- A significant increase in output and job.
- GDP increase by 7.1 per cent from the baseline, with the largest gains for lower-income ASEAN Member States.
- A net increase of 14 million jobs in six ASEAN economies, accompanied by the expansion and decline of specific sectors (ADB-ILO 2014).

FACTORS CONTRIBUTING TO POSITIVE IMPACTS ...

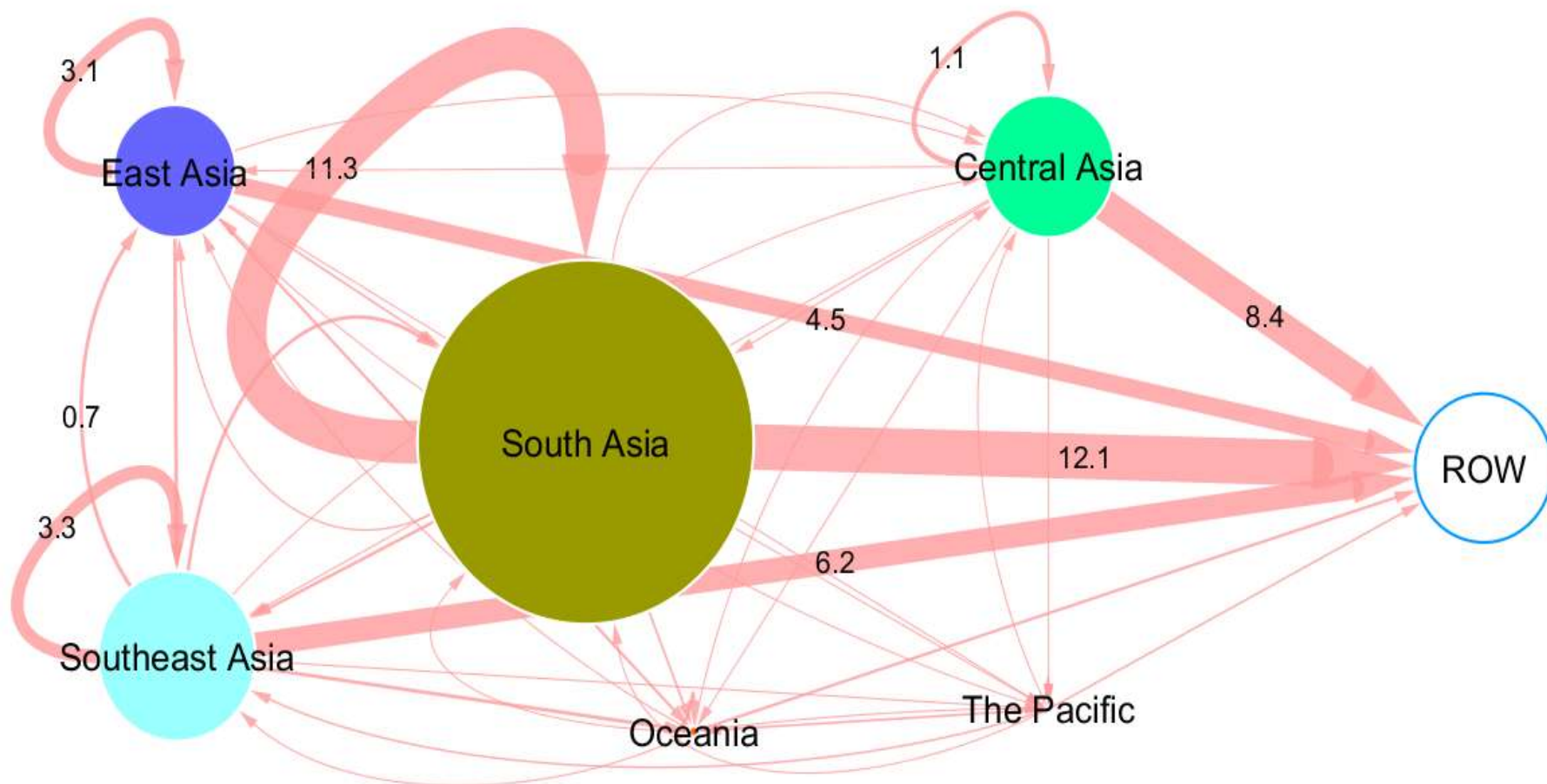
- The labor migration in ASEAN
 - ✓ has long historical links, responding to economic dynamics and fluctuations
 - ✓ occurs independently of trades, driven by significant across-country differences in labor supply and demand, wage differentials, and demographic factors.
 - ✓ is temporary due to the “contract” nature and national regulations limiting permanent migration.
 - ✓ has been increasing significantly over the years and tends to increase further after 2015

OTHER FACTORS SUPPORTING THE IMPACTS

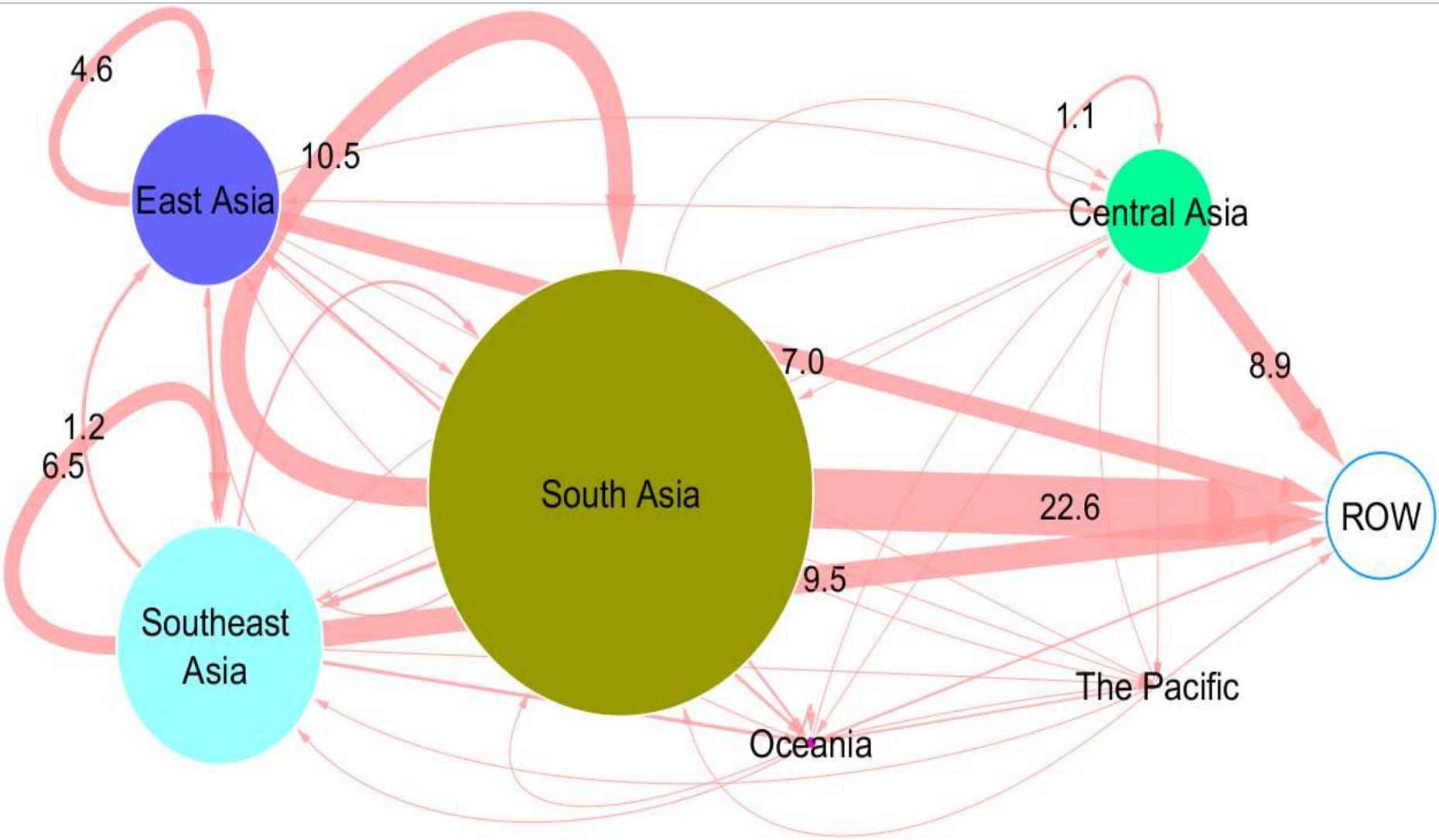
...

- Southeast Asia is the second largest stock of labor migrants in Asia, contributing to 18.8 million migrants in 2013 with the number and share keep increasing.
- Intra-Asean migration has also increased, from 3.3 million in 2000 to 6.5 million in 2013 (96% increase), due to increasing integration and shared tradition including language that reduce the barriers to migration (Sugiyarto, 2015).

MIGRATION IN ASIA IN 2000



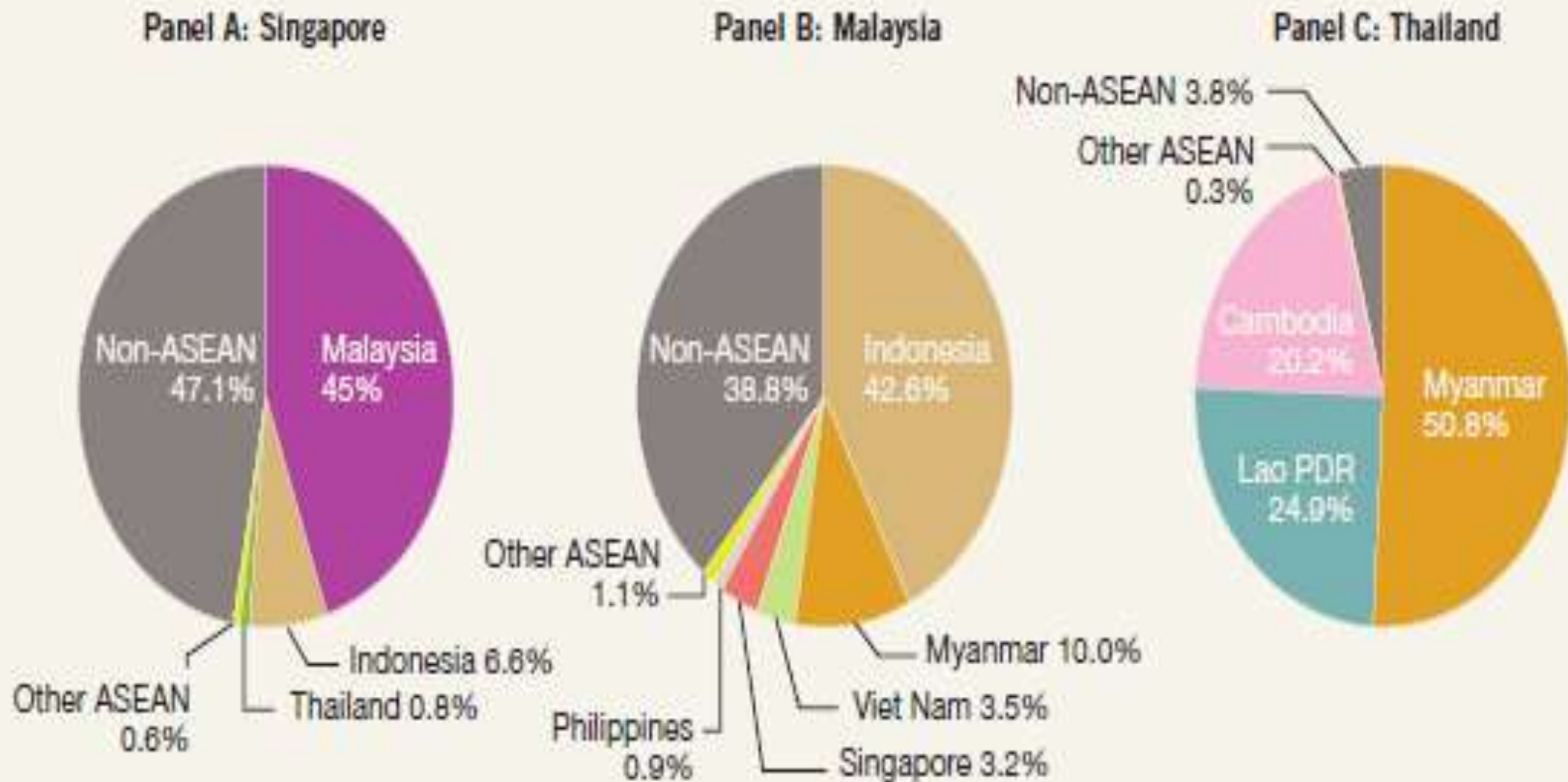
MIGRATION IN ASIA IN 2013



OTHER COUNTER FACTUAL SUPPORTING THE IMPACTS ...

- A significant number of non-ASEAN workers working in ASEAN countries
- Significant number of ASEAN university student studying abroad, including to other Asean countries (OECD report on Talent...good for knowledge transfer creating win-win situation).

ORIGINS OF INTERNATIONAL MIGRANT STOCK IN SINGAPORE, MALAYSIA, AND THAILAND, 2013

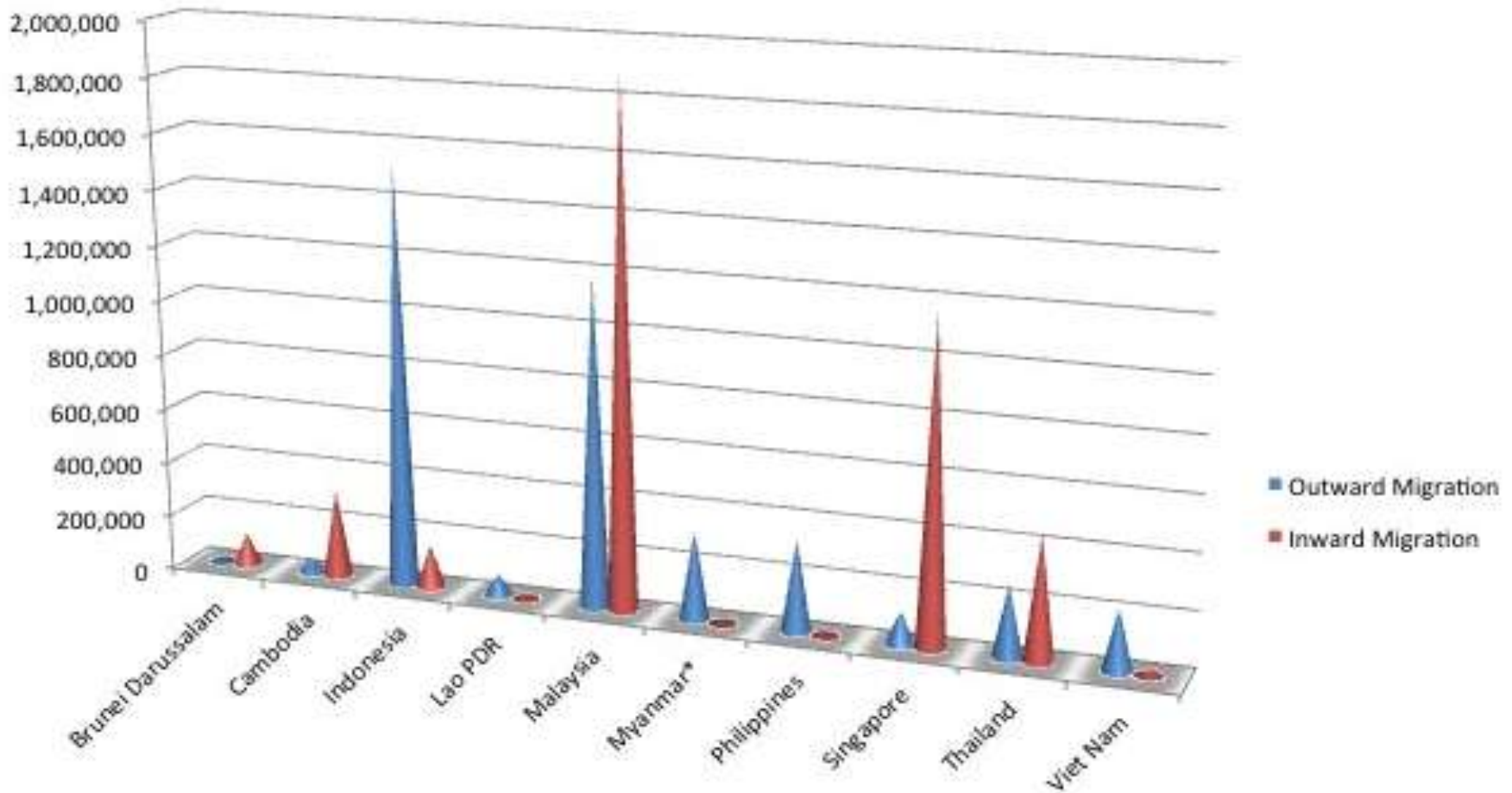


Source: UN: Trends in International Migrant Stock: The 2013 Revision Database.

ESTIMATE OF ASEAN AND INTRA-ASEAN INTERNATIONAL MIGRANT STOCKS IN 2000-

Source	Year	Total migrants in ASEAN	ASEAN migrants from another Member State	Intra-ASEAN share of ASEAN migrants (per cent)
World Bank: Global Bilateral Migration Database	2000	4 517 322	2 729 908	60.4
UN: Trends in International Migrant Stock Database	2000	5 265 008	3 315 514	63.0
Migration DRC: Global Migrant Origin Database (v.4)	2000-02	4 888 742	2 504 719	51.2
World Bank: Bilateral Migration Matrix	2010	6 700 932	3 954 547	59.0
UN: Trends in International Migrant Stock Database	2010	8 683 940	5 871 325	67.6
UN: Trends in International Migrant Stock Database	2013	9 497 690	6 513 354	68.6

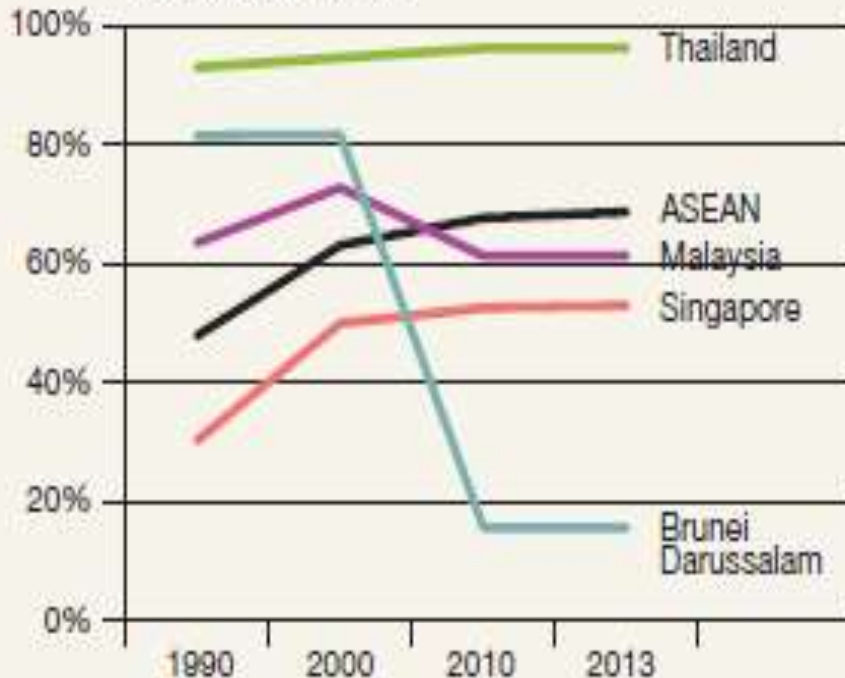
INTRA-ASEAN MIGRATION, 2010



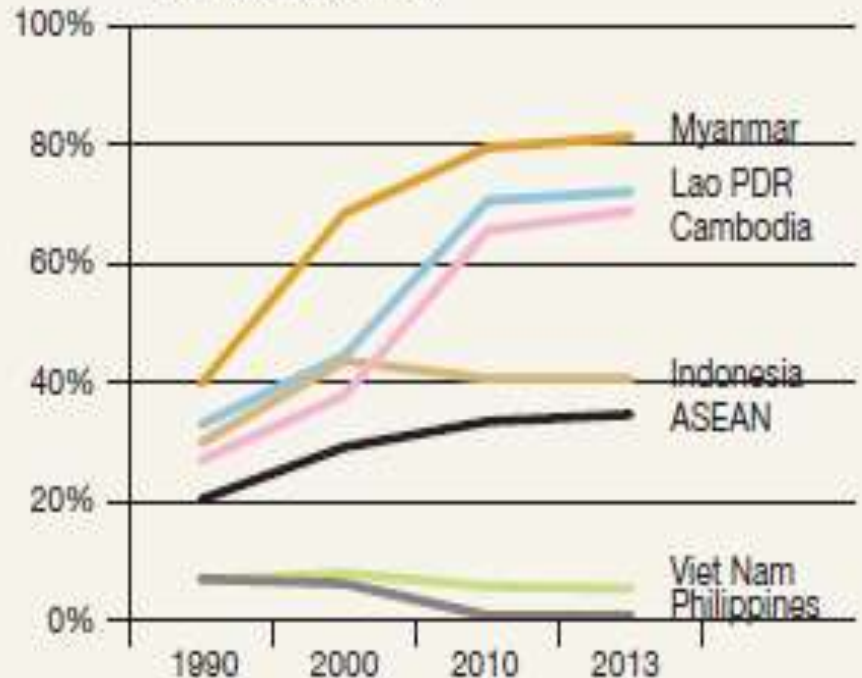
Data was based on 2007 World bank estimates while the rest of the data are based on released data; <http://go.worldbank.org/JITC7NYTTO>

INTRA-ASEAN MIGRATION SHARES 1990-2013 (PERCENT OF TOTAL)

Panel A: Intra-ASEAN share of Member States' total migrant stocks

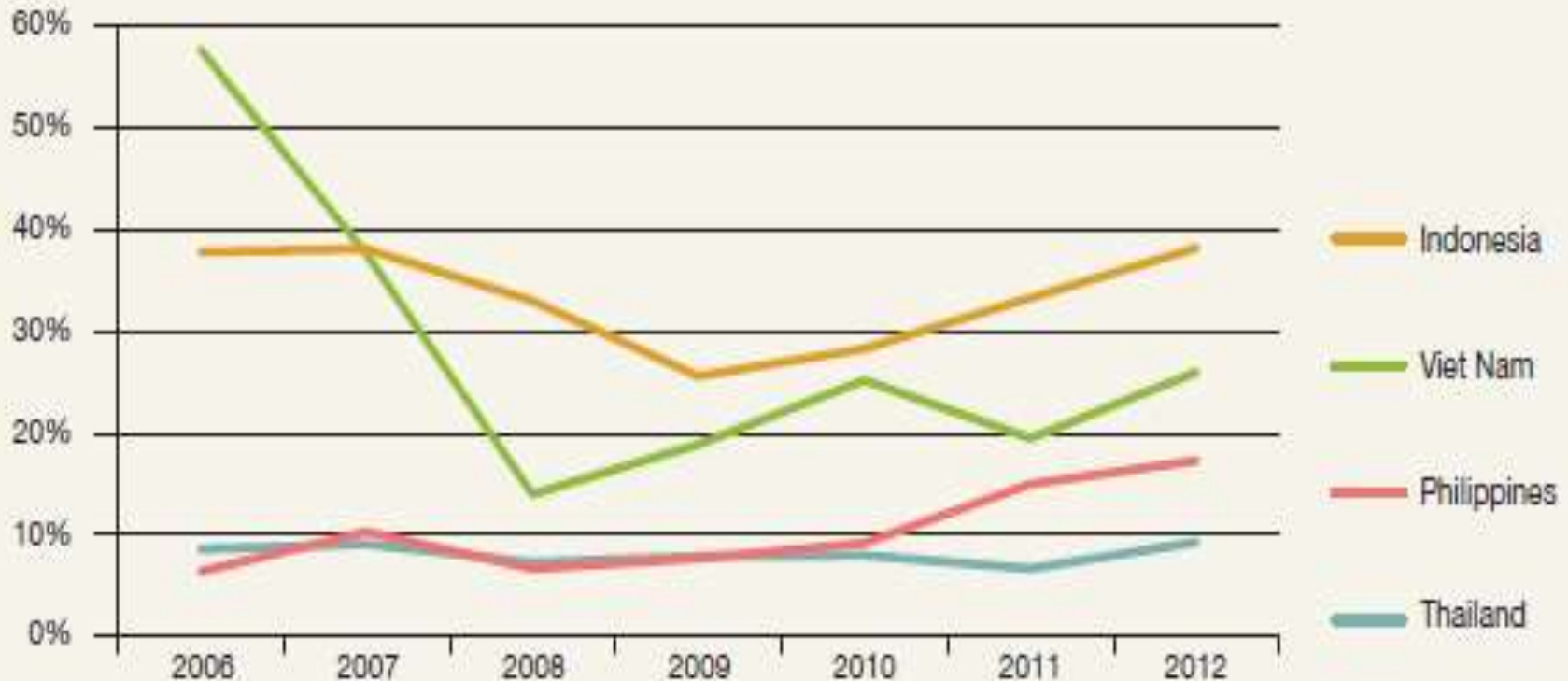


Panel B: Intra-ASEAN share of Member States' total nationals abroad



Note: Data on ASEAN give the aggregated shares for the region as a whole.
Source: UN: Trends in International Migrant Stock: The 2013 Revision Database.

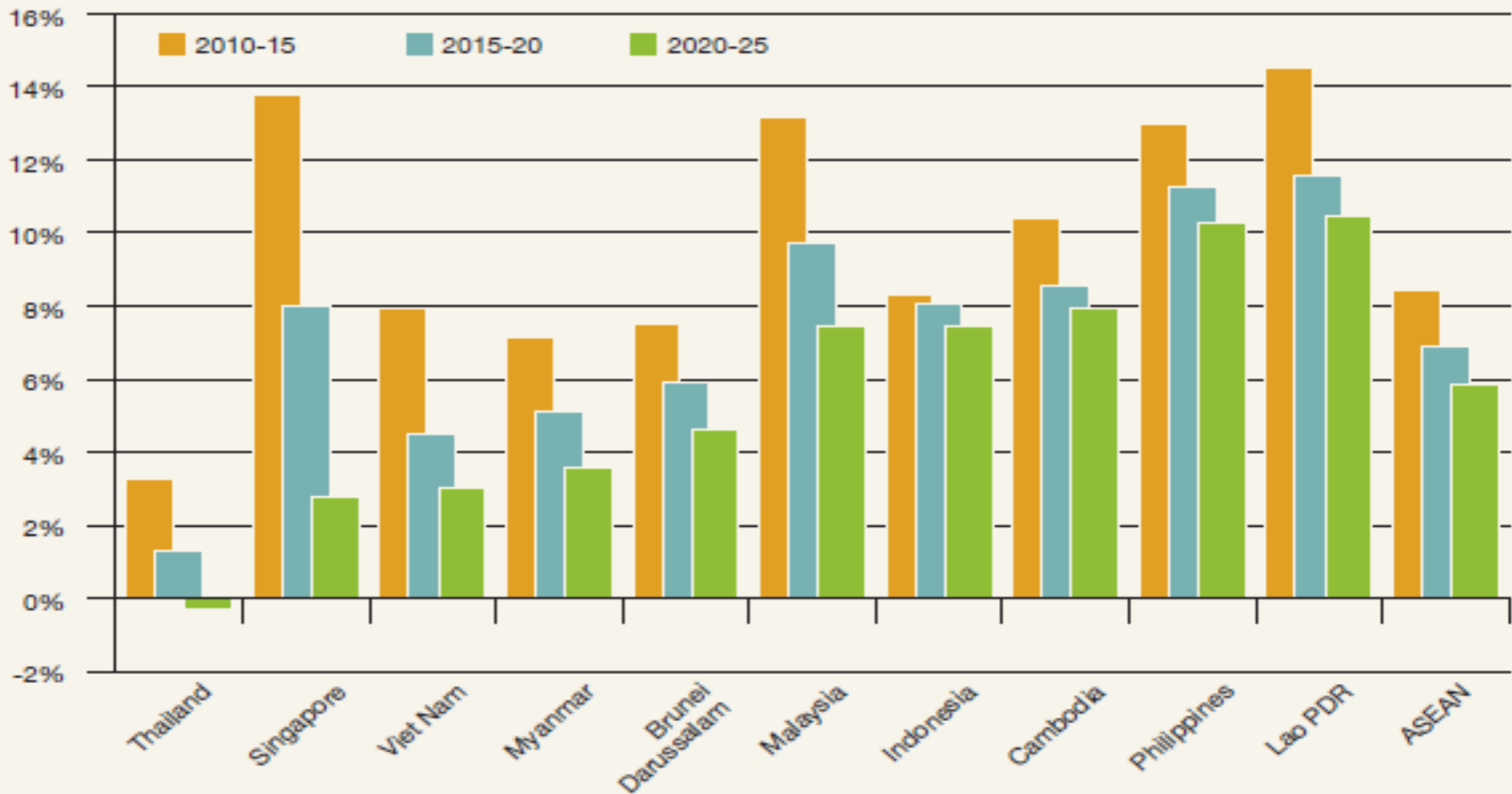
INTRA-ASEAN SHARE OF OUTFLOW OF INTERNATIONAL MIGRANT WORKERS, 2006-12 (% OF TOTAL)



Source: Indonesia: administrative records of the National Authority for the Placement and Protection of Indonesian Overseas Workers based on the annual number of workers placed abroad; the Philippines: administrative records of the Philippine Overseas Employment Administration based on daily departures of land-based overseas Filipino workers (including new hires and rehires); Thailand: administrative records of the Department of Employment, Ministry of Labour, including all registered workers; Viet Nam: administrative records of the Department of Overseas Labour, including only workers under contract-based employment.

STILL RELATIVELY YOUNG POPULATION:

PROJECTED GROWTH OF LABOR FORCE 2010-15, 2015-20, AND 2020-25 (%)



Source: Official national source; ILO: Estimates and Projections of the Economically Active Population (EAPEP), Jan. 2014; ILO: ILOSTAT database.

TRENDS IN THE FUTURE...

- Changes in the sectoral distribution of employment will shift occupation demand. The largest demand will continue to be for low- and medium-skill workers, but the demand for skill workers will increase faster.
- Bigger and more integrated market under AEC will create more demand for different types of labor increasing employment and reducing skill mismatch.
- The skill mobility will attract more skills and mobility, creating a self reinforcing mechanism of skill mobility.

Thank you...!