Economic Globalization – Yet to Deliver!

In this age of globalization, most countries of the world in varying degrees are engaged in processes of substantial economic reform. These include the adoption of market economies, trade liberalization, privatization, new rules of international investment and new labor regimes, as well as new forms of international cooperation and trade agreements.1

Ruben Ricupero, Secretary-General of UNCTAD, has said that “international migration is the missing link between globalization and development.”2 At the 92nd Session (June 2004) of the International Labour Conference, the ILO Director General Mr. Juan Somavia, in relation to the report on the World Commission on the Social Dimension of Globalization stated that, “if you look at the global economy from the perspective of people, its biggest structural failure is the inability to create enough jobs where people live.” The World Confederation of Labour, in its preparatory document for the 92nd ILC, reported that “Migration is indeed the direct consequence of financial and commercial policies and of structural adjustment programmes in many countries, which have resulted in privatization, unemployment and poverty. Thus, migration has become a structural component of the global economy.”

The importance of migration to development is evident in the fact that it has now become a part of the agenda of multi-lateral institutions such as the World Bank. The USD100 billion sent home every year by migrant workers is a larger sum than all overseas development assistance, and is second only to the value of global petroleum exports in international commodity trade.

At the international level, while there has been some GDP growth, the ILO Global Employment Trend report of January 2004 warns that there had been no overall growth in employment in 2003. This is a grim prospect if we are to believe that the MDG
goal of halving poverty in the world is to be achieved by the year 2015.

How well GDP growth will translate into employment growth is the challenge most developing countries will have to face up to if migration is not going to be the only option of its citizens who seek to improve their lives.

At the global and regional level there are powerful market pressures that are the driving factors of migration. There is a continuing demand in host countries for cheap, low-skilled labor in the agricultural, food processing, construction, domestic help, labor-intensive manufacturing, home health care, and other sectors, often involving the “3-D” dimension (dirty, dangerous, and demeaning) of the work environment. From a sending country perspective this aspect of globalization is cited for the increasing “crisis of security” in the loss or disappearance of traditional industry, loss of agricultural competitiveness, and the elimination of jobs and subsidies by structural adjustment programs, which results in increased poverty and the need to migrate in the hope of securing “better” employment prospects.

However, to ensure that economic activity remains competitive in global markets, it is required that the labor supply be cheap and docile. Migrant workers are therefore targeted to fill that profile. Their vulnerability, especially undocumented workers, soon causes migrants to find themselves in exploitative conditions and the myth of migrating for work to greener pastures evaporates quite quickly.

According to ILO estimates, of the 175 million people living outside their country of origin, around 86 million are economically active. 25 million of these are to be found in the Asia and the Middle East region. Women now constitute 49% of migrants worldwide and more than 50% in Asia, Europe, Latin America, North America, and Oceania.

The phenomenon of migration, particularly its downside, will continue to increase as long as the labor imbalances in a globalized market economy continue to exist and are not addressed through the creation of regular and transparent mechanisms that facilitate the flow of labor in addition to the establishment and implementation of policies that address the push factors in sending countries.

Another significant factor that calls for further research and substantiation is that there is an increasing amount of evidence that the absorption of foreign labor is associated with growth of the informal economy in many countries.

In its second annual report on world labor markets, Global Employment Trends 2004, the ILO noted that “parallel to the deteriorating employment situation, the size of the informal economy increased in the developing regions with low GDP growth rates. Workers in the informal economy carry a high risk of becoming working poor. This is especially true in economies with a lack of extensive unemployment insurance systems or other forms of social protection.”

On 1 May 2004, 10 new states joined the EU. However, France, Germany, Italy, and Austria all placed restrictions on labor movement for citizens of the new EU members which may last until 2011. Denmark, the Netherlands, Greece, and Sweden had originally intended to allow free movement of labor, but later introduced restrictions. The question here is whether it will it be any different in Asia, where we have at least three major regional groupings, namely, ASEAN, SAARC, APEC, and now the Greater Mekong Sub-region (GMS).

The Security Dimension – Get out, Stay out, and Come Back When We Need You

From 1970 to 1990 the number of countries employing foreign labor had more than doubled from 42 to 90 countries. More and more governments are recognizing the need to establish, modernize and improve their laws, policies, practices and administrative structures for ensuring orderly migration.

Despite the market-driven nature of the migration phenomenon, however, current experience of migrants reveals that immigration restrictions in many situations have inhibited regular labor migration to meet measurable labor demands. Increased migration control and restrictions contribute to making the circumvention of restrictions a lucrative field of activity in response to market pressures. Thus, trafficking and smuggling of migrant labor is very profitable.

The competitiveness of the global economy driven by market pressures has also revealed the benign tolerance by some states of the poor working conditions and the irregular situation of migrant...
workers. Crackdowns and mass deportations in these countries occur only when a political advantage is to be gained or in response to a clamor of misguided natives who construe the myth of migrant workers taking their jobs, when in fact these are often the very same jobs that they disdain.

“Competition for capital also requires reducing state expenditure and thus taxes – especially in periods of economic stagnation. Making this cheap labor supply expendable and removable when not needed by denying legal status effectively reduces costs for the state and for private social welfare.”

The phenomenon of labor migration becomes even more complex when states rush to put in control measures to “manage migration” from a perspective that tries to respond to the issue of trafficking and smuggling. On the other hand, however, the fear of deportation as an irregular migrant, or of reprisals from traffickers, makes it difficult to get a testimony from the victim for a trafficking case to be substantiated.

The concern to address the issue of national security in relation to migration must begin with adequate measures to arrest the growth of irregular migration through a joint approach and close collaboration between states of origin and destination. At the macro level, policies need to be based on an understanding of the multi-faceted nature of migration within and between developing countries, while recognizing at the micro level that migrants are people trying to improve their lives.

In an increasing number of states, the responsibility for managing migration is gradually being shifted from labor ministries to interior or home affair ministries, thus transforming the context for policy elaboration and implementation from that of labor market regulation to that of policing and national security.

Health as an issue of national security is also beginning to play out in the migration phenomenon. This was evident in the measures taken by many host countries in the East and South East Asian region during the outbreak of SARS. “Given that SARS appeared to spread principally through droplet transmission and face-to-face interaction, the worst-affected industries were the service industries (tourism, restaurants and hotels, retail sales, business travel and transportation) with face-to-face interaction between service providers and customers. Many migrant workers found their jobs at risk, contracts terminated, and exploited given the live-in conditions and measures that were adopted by employers in the domestic work sector.”

Similar links have been drawn with bird flu, and HIV/AIDS and mobility, thus further serving to fuel discriminatory and xenophobic practice against migrants, leading to stereotyping and social exclusion in both home and host countries. Another security issue that has been blown out of proportion is the Bush framework of fighting terrorism. “A global architecture of repressive laws has created a system which:

- Aligns legislation in major regions of the world to the perceived security agenda of the US unilateralism;
- Undermines universal standards of civil, political activism;
- Criminalizes communities by labeling them terrorist;
- Intensifies all forms of racism and discrimination against migrants and refugees.”

Ever since September 11, we have seen a continuous onslaught on the UN human rights system, and all the gains of civil society through years of struggle have been practically withdrawn in the name of national and global security. In Asia, many leaders have revamped their national security laws to repress political dissidents and silence opponents, while at the same time being in favor with the US coalition against terrorism.

Fundamental to the new global security regime is United Nations Security Council Resolution 1373 (UNSCR 1373). Passed on 30 September 2001, UNSCR 1373 effectively establishes UN jurisdiction over national security laws. It imposes for the first time an obligation on states to take a broad range of measures to suppress the financing of terrorists acts, to assist one another in related criminal investigations and to enhance the coordination of efforts, nationally and internationally, to strengthen the global response over threats to international security. In practice, measures such as the UN Security Resolution 1373 undermine the existing international human rights framework, the only internationally established instrument for the protection of individual rights in the face of state repression.
In this context it would be interesting to see how money laundering laws will play off against the need for remittances of migrant workers to pass through formal channels when a sizable bulk of it flows through informal channels, and a considerable amount of it comes from the earnings of undocumented workers.

**Some Situations of How the Economic and Security Dimension Plays Out**

At the Regional Hearing for the Global Commission on Migration for Asia and the Pacific, the Deputy Director General of the Multilateral Cooperation Department, Ministry of Foreign Affairs Japan, Mr Shigeki Sumi, while recognizing the need for “foreigners” in Japan who currently constitute around 1.5% of its total population, cautioned that the other side of the coin is that “more and serious crimes have been committed by foreigners in Japan and perceived as one of the serious social problems due to much attention by the mass media. The Japanese government has set a target of 5 years to halve illegal immigrants, and has proceeded to strengthen control and revision of related legislations. Furthermore, in collaboration with countries concerned, the Japanese government has set to work with smooth deportation.”

The Malaysian Government plans to deport around 600,000 irregular Indonesian workers from oil plantations and construction sites in Malaysia. Unlike in the 1980s and 1990s, the number of infrastructure development projects in Malaysia that require unskilled labor has been gradually declining. Maltreatment of irregular workers who have been arrested and deported by the Malaysian police are being regularly reported, while many of the irregular migrant workers have not been paid for months for their work at the oil plantations. Caning is meted out for several crimes in Malaysia and was introduced for irregular immigrants in August 2002 after a crackdown which saw nearly a million people
repatriated during a four-month amnesty period. There is an estimated 1.2 million irregular immigrants in Malaysia, mostly from Indonesia and the Philippines.

Under the new laws, illegal immigrants and those who harbor or employ them face fines of up to MYR 10,000 per offense, a jail sentence of up to 5 years, or both with whipping. Local prisons are now overcrowded with foreigners who constitute around 40% of the prison population. The largest numbers of foreigners in prisons are Indonesians, followed by Burmese nationals, Filipinos, Thais and Indians.11

According to a report in the *Irrawaddy* August 17th issue, migrant workers in Thailand are working more overtime for less pay, despite the Thai government’s recent efforts to grant them legal status.

The Employment Permit System introduced by law in South Korea last August, while according migrant workers the same rights as locals, exists together with the trainee system, whereby migrant workers would still be brought into the country as cheap form of labor without enjoying labor rights and renders them vulnerable exploitative situations. If this scenario continues to exist we might see the development of an official migrant labor force and a reserve migrant labor force which can be quickly repatriated when market conditions are not favorable.

In conclusion, the global scenario then is one of market forces driving demand in an environment of instability and confusion. Migrant workers will continue to find themselves in vulnerable and exploitative situations, where crackdowns, arrests, deportations, xenophobia, racism and restrictions on mobility become the order of the day. The gains of the past decades in the struggle for the upholding of the rights and dignity of every human being must find new energy, inspiration, and courage in order to roll back the current world order and to believe that another world is possible, and that we are in the process of shaping it.

Endnotes


3Ibid.


7Ibid.


10Ibid.

11Listserve: [mfa-network 1514].