

亞太商業管理研究

**Migrant
Workers
in
Pacific
Asia**

Editor

Yaw A. Debrah

Studies in
a Pacific
business

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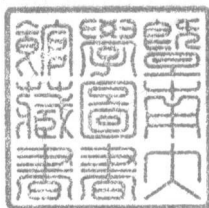
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MIGRANT WORKERS IN PACIFIC ASIA

Editor

Yaw A. Debrah



FRANK CASS
LONDON • PORTLAND, OR.

105.9057
190009

First published in 2002 in Great Britain by
FRANK CASS PUBLISHERS
Crown House, 47 Chase Side, Southgate, London N14 5BP

and in the United States of America by
FRANK CASS PUBLISHERS
c/o ISBS, 5824 N.E. Hassalo Street
Portland, Oregon 97213-3644

Website www.frankcass.com

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British Library Cataloguing in Publication Data

Migrant workers in Pacific. – (Studies in Asia Pacific business; v. 11)
1. Migrant labor – East Asia 2. Migrant labor – Singapore
3. Migrant labor – Malaysia
I. Debrah, Yaw A., 1956 –
331.5'.44'095

ISBN 0 7146 5367 5 (cloth)
ISSN 1369-7153

Library of Congress Cataloging-in-Publication Data

Migrant workers in Pacific Asia / editor, Yaw A. Debrah.
p.cm.
Includes bibliographical references (p.) and index
ISBN 0-7146-5367-5 (cloth)
1. Migrant labor – Asia. I. Debrah, Yaw A., 1956–
HD5856.A78 M54 2002
331.5'.44'095–dc21

2002008178

This group of studies first appeared in a special issue of
Asia Pacific Business Review [ISSN 1360-2381], Vol.8, No.4 (Summer 2002)
published by Frank Cass and Co. Ltd.

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Printed in Great Britain by Antony Rowe Ltd., Chippenham, Wilts.

MIGRANT WORKERS IN PACIFIC ASIA

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Introduction: Migrant Workers in Pacific Asia

YAW A. DEBRAH

Although international labour migration from and within Asia is not a new phenomenon, it has received much media coverage since the 1997 Asian financial crisis. As businesses collapsed, factories closed, construction projects halted, and unemployment figures started to rise, many low-paid migrant workers in labour-receiving countries in East Asia found their services no longer needed. As both low-paid legal and illegal migrant workers became surplus to requirements they were threatened with expulsion/repatriation at a time when jobs were scarce in many of the labour-exporting countries (*Economist*, 1998).

At the same time many unemployed people in the labour-exporting countries in Pacific Asia were making daring attempts to enter the labour-importing countries in search of jobs. Newspapers in Malaysia and Singapore carried horror stories of 'desperate' Indonesian workers invading Singapore and Malaysia in search of ever dwindling numbers of jobs. In spite of the Malaysian government's threats to deport some migrant workers and the Singapore government's harsh penalties to deal with illegal migrant workers, these desperate migrants still attempted to enter those countries in search of jobs.

Other East Asian labour-importing countries faced similar problems at the height of the late 1990s recession and there was some concern as to what to do with the redundant migrant workers who do the dirty, difficult and dangerous jobs that the local workers shun. These countries were in a dilemma as to whether to deport these migrant workers or to allow them to stay on in anticipation of economic recovery (APMJ, 1998).

The debates and controversies surrounding this issue brought home to the labour-receiving countries in Pacific Asia that although their labour migration policies are built on the concept of 'temporariness', in reality it might be difficult if not impossible to avoid the use of

migrant workers in the short term, if not the long term (Wong, 1984; Martin and Richards, 1980). This presupposes that realistically the stay of migrant workers in labour-receiving countries should be seen by the authorities in the long-term, if not permanent perspective. If this is the case, it may be necessary to develop policies which focus on the long-term rather than short-term reliance on migrant workers by the labour-receiving countries in Pacific Asia. Arguably, as economies recover from the effects of the recession, it is likely that the flow of migrant workers from labour-exporting countries in Asia to the vibrant economies of Pacific Asia will continue.

This movement of migrant workers within Asia which is bound to continue marks a change in the direction of flow of migrant workers. Whereas two to three decades ago migrant workers from Asia were more likely to move out of the region in search of jobs, now they are more likely to find a job closer to home, within the region. Tracing this change from a historical perspective, Davis (1995) comments that for centuries Asian labour has been a marketable commodity throughout the world but the destinations of the migrant workers have changed over the years.

In the early nineteenth century Western economic expansion led to the migration of numerous Japanese, Koreans and Chinese to North and South America in search of jobs. In North America and elsewhere Asian labourers worked on massive construction projects. Similarly, in the late nineteenth and early twentieth centuries many British colonies made extensive use of Asian labour. Singapore, Hong Kong and Malaysia, for instance, benefited greatly from the services provided by immigrants. This same period also witnessed an increase in intra-regional migration of Asians involving several millions of Chinese who went to various parts of South-East Asia, and Japanese who went to the North-Eastern province of China in search of greener pastures (Athukorala, 1993). The colonial period also witnessed the mass immigration of Indians to work in the rubber plantations and the tin industry in Malaysia. At about the same time, many British colonies in the Caribbean, the Pacific Islands and East Africa also made extensive use of Asian labour (Davis, 1995).

However, since the mid-1960s we have witnessed what Athukorala (1983) calls, 'the modern phase of international labour migration'. This has been characterized by a significant rise in labour migration and the development of new patterns. Essentially this modern phase involves:

- the migration of high level labour (professionals) for permanent settlement in the industrial countries since the mid-1960s,

- the migration of workers mostly on fixed-term work contracts (contract labour migration) to oil-rich countries in the Middle East since the mid-1970s, and
- intra-Asian labour migration arising from the labour shortage in high-growth countries in the region since the 1980s (Athukorala, 1993).

It is the third aspect of this modern phase which is of interest to us and forms the focus of this collection. Hence, it is pertinent to raise the question, what precipitated the direction of flow of migrant workers to Pacific Asia?

The labour migration literature indicates that the shift started in the 1970s, when Pacific Asian workers were part of the large-scale migration of workers to the oil-exporting countries of the Middle East in response to the economic boom in the region as a result of the sharp rise in oil prices. At the time, many East Asian countries needed foreign exchange and hence actively promoted temporary labour migration to the Middle East to satisfy the demand for labour in that part of the world (Davis, 1995).

With the tightening of the Middle Eastern labour market in the 1980s, as a result of the decline in oil prices, the direction of migration of workers changed from the Middle East to closer to home: Brunei, Japan and the high-growth economies of Singapore, South Korea, Taiwan, Hong Kong, Malaysia and Thailand. These high-growth and rich countries began to employ an increasing number of foreign workers from all over South-East Asia as well as from further afield such as India, Pakistan and Bangladesh. The almost infinite supply of cheap labour from the labour-exporting countries in the region and from South Asia was necessary to enable employers to deal with labour shortage problems, maintain production targets and stimulate economic growth. For instance, migrant workers work in the maritime industry, building and repairing ships in Singapore and Japan, tapping rubber and working as labourers in Malaysian plantations, and construction sites, building houses in Singapore, and catching fish in Thailand, among other jobs (do Rosario and Fairclough, 1992).

As the migration of workers to the high-growth countries in Pacific Asia was a new phenomenon in these countries, the arrival of these migrant workers in such high numbers brought home to the governments of the host countries the lack of policies pertaining to the regulation and control of these workers. On this, do Rosario and Fairclough (1992) assert that the newness of this phenomenon was such that the host governments struggled to provide supporting infrastructure such as housing, social security and legal protection for

the migrant workers. Lonnroth (1991) has emphasized the need for host countries to address the rights of migrant workers. Hence, the governments in East Asia realized that these issues, if not properly handled through the development of policies, could lead to social problems in the host countries and attendant international tensions. Hence, the 1980s witnessed the beginnings of the development of policies on migrant workers in many Pacific Asian countries. But these policies were developed under the assumption that the reliance on migrant workers would be a temporary phenomenon.

This, then, brings us to the focus of this volume – the review and impacts of migrant worker policies of the labour-receiving countries on migrant workers in Pacific Asia. In this volume, the theme that consistently appears in all the essays is what Chin describes in the following as the ‘insider/outsider’, or ‘citizen/foreigner’ distinction. This in essence is the basis of official policies for managing the public’s relationship to ‘temporary’ migrant workers in the host cities or countries.

We intend to discuss issues relating to migrant workers’ work and employment in six labour-receiving (importing) countries of Pacific Asia. With the exception of China, where we will be discussing issues relating to internal migration of workers (within China), the focus will be mainly on foreign (migrant) workers. Even in the case of China, writers such as Roberts (1997), Chan (1996), Solinger (1995a and 1995b), and Bonnin and Cartier (1988) have all noted that Chinese internal labour migration is akin to international labour migration between developed and developing countries. The essays focus on low-level, non-professional migrant workers although the contribution on Singapore makes reference to foreign professionals.

Following the work of Miller (1986) we argue that in many of the labour-receiving countries of Pacific Asia including China, the problems facing migrant workers in the areas of housing, employment, etc. stem from the issue of temporariness inherent in state policies. The East Asian labour-receiving countries were familiar with the history of migrant labourers in Western Europe and elsewhere in the world, especially the tendency of ‘temporary’ workers to settle permanently in the host countries, and the ‘problems’ associated with the presence of large numbers of foreigners/immigrants, and were determined to avoid creating a Pacific Asian version of that experience. Hence, policies were developed to make it extremely difficult for foreign/migrant workers in the labour-receiving countries in Pacific Asia legally to settle permanently in the host cities/countries.

In many of the labour-receiving countries, low-skilled or unskilled migrant workers are welcomed as long as there is work for them.

Hence, the fate of these migrant workers is tied to labour market conditions. Accordingly, labour market flexibility policies in the labour-receiving countries allow the entry of migrant workers in good times, but in a period of economic decline when companies shed labour to reduce costs these migrant workers are expected to return to their countries either by their own volition or through a variety of state control measures including non-renewal of work permits (Miller, 1986).

Athukorala (1993) defines migrant workers as all those who migrate for employment reasons. They include both people who migrate for work and long-term settlement, and contract migrants recruited for a specific period of time. Miller (1986), however, sees migrant workers as aliens authorized to perform non-permanent, fixed-term services of labour. The lawful residency of the migrant workers hinges on their employment. Miller contends the jobs held by temporary workers may, in fact, not be of a permanent nature. However, temporary worker employment and residency authorization are legally contingent as the state may opt to renew or terminate temporary workers' employment and residency authorization. While Miller's definition does not explicitly mention that temporary workers may seek to become permanent residents, Athukorala's definition implies that some migrant workers set off with the intention of staying permanently in their host countries. However, host governments do not like to grant permanent residence permits easily to any migrant worker so they develop policies which among other things attempt to screen out migrant workers who intend to become permanent residents, and prevent or make it difficult for legal migrant workers to become permanent residents without upgrading their skills and hence have something more meaningful to contribute to society.

Evidence from the essays in this volume indicates that in all the countries discussed, the policies on migrant workers are primarily geared at making their stay temporary in the host cities or countries. Many East Asian labour-receiving countries have developed policies which are in line with Miller's (1986) observation, that is, to prevent the unanticipated and, to a certain degree, unwanted settlement by foreigners (in the case of China it is internal migration – the unwanted settlement of unauthorized migrants) admitted as temporary workers. Hence, migrant labour recruitment policies are based on the admission of migrant workers for time-restricted employment and residency. Again, this is consistent with Miller's contention that:

the hallmark of temporary worker policy is the expectation of repatriation or return, whether administratively or

economically induced or due to the volition of migrants themselves (Miller, 1986: 740).

Seen from this perspective, the migrant worker policies of Pacific Asian labour-receiving countries are generally conceived as a short-term measure to tackle labour shortages and explains why migrant workers are prevented as much as possible from becoming a permanent feature. It is, however, possible that in selective cases based on strict criteria, foreign temporary workers can become permanent resident foreigners and even naturalized citizens in some instances. As in the case of Singapore, for instance, temporary migrant workers have a greater chance of becoming permanent residents if they possess a predetermined level of skills.

The rationale underlying the temporariness policy is that if the number of migrant workers is not properly controlled, it could affect social stability and the potential advantage to be derived from the use of migrant workers would be lost, hence the tight controls instituted on migrant workers in the labour-importing countries.

In Singapore, for instance, to drum this idea of temporariness into migrant workers and to dissuade them from overstaying their visas, strict penalties are meted out to illegal immigrants (including foreign workers). These penalties include jail sentences, caning and repatriation. Also, employers who hire illegal workers and people who smuggle or harbour illegal workers are also subject to the same harsh penalties. Hui succinctly describes the thinking behind these draconian policies in the following terms:

The government feels impelled to protect the social fabric and security of the country by meting out increasingly tough penalties so that word of this crackdown and its uncompromising stand will deter the potential illegal immigrants and stave off the illegal inflows (Hui 1998: 213).

Beside the above reasons, the strict penalties and control of migrant workers in Singapore stem from the concerns about their presence regarding depression of local wages, the inhibition of restructuring and upgrading of industries, the potential social problems pertaining to integration, housing and overcrowding, political and security problems and potential adverse impact on bilateral relations with the labour-exporting countries (Hui, 1998).

Similar thinking forms the basis of Japanese immigration policies. Debates on the nature of immigration to Japan have touched on the potential problems of incorporating foreigners into Japan's homogeneous society. The Japanese authorities are concerned about

ethnic clashes, conflicts and racism (Spencer, 1992). Hence, a set of regulations and practices have been designed and implemented to control the illegal flow of migrant workers into Japan.

As a policy, only specifically designated foreign technical and professional workers are permitted to work in Japan. The Japanese government does not admit unskilled workers, except Japanese emigrants' descendants, commonly called *Nikkeijin*, many of whom come from Brazil and Peru (Watanabe, 1998; Morita and Sassen, 1994). In spite of this strict policy, however, a significant number of migrant workers are in Japan to meet the needs of the labour market. The prospects for employment and better earnings have made Japan an attractive destination for illegal migrants. Many of these migrant workers take up 3D (dirty, difficult and dangerous) jobs shunned by many Japanese even in a depressed employment situation (Morita, 1993).

Spencer (1992), Morita and Sassen (1994) and Morita (1993) provide a comprehensive overview of migrant workers in Japan. They also discuss the situation of migrant workers in Japan, their numbers, their legal status, the types of work they are involved in and their working and living conditions. Also discussed are the main issues which affect the development of Japanese policy towards illegal migrant workers.

Just as in Japan, South Korean immigration law only allows the entry of foreigners employed in highly-skilled jobs. With the exception of foreign trainees, the law does not permit the entry of unskilled migrant workers. In spite of this, in the past few years a growing number of foreigners have illegally entered Korea and entered employment in unskilled areas. Just as in Singapore, South Korean employers who hire illegal migrant workers are also subject to penalties which include imprisonment. Also foreigners who overstay their visas are subject to fines (Park, 1998). To reinforce the temporariness in migrant worker policy, the South Korean government repatriated foreign workers during the recent financial crisis in order to create job opportunities for locals.

Malaysia has for some time now been a recipient of migrant workers. In particular, its location and participation in three 'growth triangles' facilitates the movement of labour from the Philippines, Indonesia and Thailand. Prior to the recent financial crisis all the countries participating in the Growth Triangle had instituted measures to control illegal migration. However, at the height of the crisis, the Malaysian and Thai governments quickly adopted measures to crack down on illegal migrants and instigated stiff penalties to curb illegal migration (APMJ, 1998). Malaysia also introduced stricter border

checks to arrest and deport illegal migrants. In addition, in late 1997, Malaysia announced plans for a massive repatriation programme of migrant workers. According to this plan, some migrants in construction were to be laid off and work permits for migrants in construction and services (except foreign maids) were not to be renewed on expiry. This meant that migrant workers affected were to return to their home countries (APMJ, 1998).

Eventually, the Malaysian government had to rethink their repatriation policies in light of labour market realities, that is, labour shortages persisted in some sectors of the economy as locals did not want jobs in those sectors. In July 1998 the government amended its policy, allowing workers in certain categories within the service sector to renew their permits for up to six years (Pillai, 1998). The Malaysian government also conceived of a plan to re-deploy laid-off migrant workers in sectors experiencing severe labour shortages. In addition, there has been recruitment of new migrant workers for the plantation and manufacturing services. This reversal of policy by the Malaysian government followed appeals and pressure from employers who complained that Malaysians were reluctant to take up 'menial' jobs. But perhaps more importantly, the prospect of higher revenues from migrant levies and pension fund contributions encouraged the Malaysian government to adopt a more flexible policy on foreign labour recruitment (Pillai, 1998).

Taiwan's rapid economic development has fuelled the need for migrant workers to take up jobs which the locals shun. But, quite apart from the economic progress other factors have contributed to the legal entry of migrant workers and the arrival of illegal migrant workers. In this respect, Selya (1992) has traced the origins of the migrant worker 'problem'. Among the factors are demographic changes which have created labour shortages in some sectors of the Taiwanese economy, necessitating the entry of migrant workers. Apart from internal factors such as economic restructuring and transition, external factors have also had an effect. These external factors relate to issues such as unemployment and low standards of living in neighbouring countries which compel migrant workers to leave their own countries and come to Taiwan in search of jobs.

Migrant workers in Taiwan work mainly in construction and manufacturing (textile, electrical and electronic) industries. The general trend of employment of foreign workers in the manufacturing industries is shifting from labour-intensive to capital and technology-intensive industries (Lee, 1998). With the exception of maids who work in hospitals and private households, there are no foreign migrant workers in the service industries because the government only

allocates work permits to employees in construction and manufacturing. Illegal migrant workers are in factories, in households and some are prostitutes (Lee, 1998). But under the law, employers who hire foreign workers face harsh penalties when caught.

As in other labour-receiving countries in the region, immigrant worker policy is based on the idea of temporariness. Hence, in Taiwan, just as in Malaysia, the government announced a freeze on the entry of foreign workers at the beginning of the financial crisis in 1997. The government arrived at this decision after intensive lobbying by the trade unions, but the policy was reversed in 1998 and more migrant workers were permitted to enter Taiwan. The policy U-turn was made because business leaders urged the government to allow the entry of foreign workers so as to stimulate domestic demand (Lee, 1998).

China is now a major exporter of labour. As Kaye (1992) comments, China made a late entry into the export of labour but is now an active player in the international contract labour market. State-run firms are in charge of the contract labour business and are involved in the legal migration of Chinese contract workers. There is, however, evidence of illegal migration from China to various parts of the world including countries in Europe and North America. There is also considerable internal labour migration in China. Roberts (1997) discusses the reasons for this 'tidal wave' of migrant labour from rural China to the urban areas. They include relaxation of restrictions on internal migration which existed in China prior to economic liberalization. Economic liberalization has brought to the fore the under-employment and unemployment in rural China and set in motion the desire of rural Chinese to move to the cities in search of jobs.

APPROACHES FOR ANALYZING CROSS-BORDER LABOUR MIGRATION

In order to explore the factors behind the flocking of migrant workers to the labour-receiving countries in the Pacific Rim, we need to look at migration theories. Bartram (1998) provides an overview of the four main approaches to studying international labour migration. These are:

- neo-classical economics theory,
- dual labour market theory,
- world systems theory; and
- policy analysis relying on state theory.

According to the neo-classical economic approach, international labour migration arises from supply and demand, or 'push and pull' considerations. Seen from this perspective, migrants are pushed out of underdeveloped areas by low wages, high population density, and economic fluctuations and are then pulled to developed areas by high wages and abundant job opportunities (Lee, 1966). Along the same lines, Todaro (1969) has developed a model which is based on a concept of expected income, that is the mathematical product of the wage difference and the probability of finding a job in the host country. According to this perspective, migration will occur when expected income in the host country is greater than the going wage rates in the worker's native area, where employment is supposedly certain (Bartram, 1998).

This approach perhaps explains the flow of foreign workers from countries such as Indonesia and the Philippines to Singapore, Hong Kong, Japan and Malaysia and elsewhere in the region in search of jobs and the rural-urban labour migration in China. It must be noted, however, that even when employment is not certain as it was the case in the recent financial crisis, the migrant workers believed that they could find jobs in the economically more prosperous countries. Hence, the surge of illegal migrant workers to Malaysia and Singapore, for instance, in search of jobs at a time when both governments were making frantic efforts to keep out unwanted migrant workers.

Proponents of the 'dual labour market theory of labour migration', such as Piore (1979), argue that labour migration occurs where local (citizen) workers shun jobs at the bottom of the local status hierarchy. These local workers often consider these jobs degrading, dirty, dangerous, unstable, low paid and often unpleasant. As such, even in the absence of government welfare 'safety nets', as in the case of Singapore, local workers avoid such jobs.

Thus, employers in industries like construction, ship-repair/shipbuilding and agriculture who cannot find local workers turn to migrants, who are willing to accept low status jobs because they do not see themselves as part of what Bartram (1998) refers to as the local status hierarchy. They are also motivated primarily by wages, which are usually higher than those they could earn in their country of origin. Arguably, citizens' desire to avoid low status jobs is reinforced when certain jobs become dominated by migrants, further lowering the status of those jobs (Bartram, 1998).

The basic point of the dual labour market theory, then, is that migration is driven by a demand for low-level labour to perform work that citizens are unwilling to do. This is in fact true of the labour-receiving countries in the Pacific rim. Even at the height of the

financial crisis when some governments (for example, Malaysia and Taiwan) were threatening to deport migrant workers and to create jobs for local people, the governments had a rude awakening when it soon became apparent that the locals did not want many of the menial jobs being vacated by the migrants. Similarly, the South Korean government was hoping that locals would fill the positions created by the deportation of migrant workers but despite the rapidly growing number of unemployed persons, many Koreans did not want to take what they considered menial jobs. Thus, even at the height of the Asian economic crisis, labour shortages persisted in small firms in labour-intensive industries as companies found it extremely difficult to hire Korean nationals (Park, 1998).

The locals in the labour-receiving countries avoid these menial jobs because prior to the recent financial crisis, all the Pacific rim countries (except China) had either achieved full employment or very nearly so. As a result, many of the labour-receiving East Asian countries depended on large-scale importation of labour. Over time the locals become used to the idea that it is foreigners who do the dirty, difficult and dangerous jobs. Thus the recipient countries continue to face shortages of unskilled workers because local workers move 'up market' in search of better and cleaner work for higher wages (Bartram, 1998).

Quite apart from economic expansion, the surge in demand for migrant workers in the newly industrializing economies of Pacific Asia and Japan is due to the ageing population and the rising educational attainment levels (do Rosario and Fairclough, 1992). With economic expansion and improvements in living conditions and health care, the industrialized and newly industrializing countries in Pacific Asia have been experiencing considerable improvements in life expectancy and a considerable decline in the death rate. With an ageing population/workforce and a decline in the local supply of new entrants to the labour market, these countries started to experience labour shortages as many school leavers choose to go into higher education rather than enter the labour market straight from school.

These young people eventually enter the labour market with high levels of education and therefore in good economic times are able to pick and choose jobs and hence are unwilling to do dirty or dangerous jobs. This creates the labour shortages at the bottom of the job hierarchy which have the potential to harm the economies. Hence, the governments affected have attempted to tackle the labour shortages, for instance, by extending the retirement age, as in Japan and Singapore, and by encouraging more women to enter the labour market as in the case of Singapore but these measures have not been sufficient to deal with the labour problems. Hence, the entry of migrant workers.