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Beyond economics: transnational labour migration in Asia and the Pacific

The Asia-Pacific region accounts for 35-40% of the four to five million workers who take to their heels in search of employment each year. In scale, diversity and socio-economic consequences for the countries involved, contemporary movements of labour fundamentally differ from those of the past. Transnational labour migration can no longer be controlled by political measures or economic arrangements and is in need of a new approach beyond the limitations of neoclassical economic analysis.

Toon van Meijl

Migration in Asia and the Pacific involves three major networks: first, the movement of contract workers from South and Southeast Asia to the oil-producing countries of the Middle East; second, the movement of people from the developing countries of Southeast and East Asia to newly industrializing countries such as Thailand and Malaysia; and, third, the movement of Pacific Islanders to countries of permanent settlement, such as Australia, New Zealand and the USA.

The first stream will probably stop when the Persian Gulf region runs out of oil, but the second may increase over the next few years. Although labour migration within East and Southeast Asia has increased dramatically over the past 15 years, the region's newly industrializing economies still exhibit relatively low levels of foreign labour, principally for ethnic and political reasons. Countries such as Japan, Korea, Taiwan, Malaysia and Singapore have highly restrictive immigration policies, even though they are increasingly dependent on foreign migrants in low-wage sectors of the economy.

Parallel to these developments, the rapidly expanding economies of Southeast Asia have begun to promote the export of labour, mainly since they have also pursued automation and the relocation of labour-intensive manufacturing industries overseas. The first country that promoted overseas contract migration was the Philippines, which entered into a series of bilateral agreements with various labour importers. Currently more than 10% of the Philippine population works overseas in 130 countries, and in the year 2000 their remittances contributed about 21% of the country's gross national product.

The unique Pacific

Filipino workers also moved to the Pacific, beginning in 1950 when a military base was established in Guam, where they now account for more than 25% of the total population of 145,000. At the same time, Pacific peoples themselves began migrating. Despite the massive number of migrants and the depopulation it causes in some areas, debates about international migration rarely reflect on the Pacific Islands. Here it is useful to distinguish three different cultural areas in the Pacific: Polynesia, characterized by international migration to metropolitan countries of the Pacific Rim, notably Australia, New Zealand and the USA; Melanesia, characterised by internal migration, mainly from rural to urban areas; and Micronesia, characterised by both.

Polynesia is the most interesting case, as it includes American Samoa and

Hawaii, where the US presence stimulated new streams of migration to the American mainland. Other destinations followed. In Niue and the Cook Islands, both freely associated with New Zealand, three-fourths or more of the total population now resides in New Zealand or has moved on to Australia. Altogether, at least half a million Polynesians are living abroad today, about 25% of the total population; 250,000 are living in New Zealand, where they make up 6% of the total population. Indeed, Auckland is often described as the Polynesian capital. Massive migration is not unique to the Pacific, yet the impact of transnational movements is magnified by the region's small populations.

Several interpretations have been offered to assess the impact of this diaspora. An optimistic explanation has been advanced by a Tongan intellectual,

in central Oceania, such as Samoa and Tonga, these remittances provide about half the national income. The second component is aid agreements negotiated by local governments, which in Tonga, for example, provide most of the salaries of public servants.

The notion of MIRAB economies has been received by economists and development experts with scorn. Many regard remittance-driven economies as rentier economies and argue that remittances can never be a healthy foundation for a prospering economy. The French scholar Bernard Poirine, however, has cogently argued that remittances are not 'free lunches'. In his view they represent three kinds of transactions: repayments of loans made earlier to the remitter to help finance human capital investment; money lent to relatives to help them finance their education; and money sent to prepare for

of US\$10 per capita in development aid than other developing countries. This has been so for a long time, and there are no good reasons to assume that it will change in the foreseeable future. The conclusion of this discussion on the MIRAB complex is that a narrow economic perspective on international labour migration is up for review.

A critique of neoclassical economics

For a long time, labour migration has been analysed mainly from a neoclassical economic perspective grounded in the push and pull dynamics of labour's market supply and demand. In this view, labour is a function of capital: as capital flows into a country, labour begins to flow out; as capital flows out, immigrant labour begins to flow in. Tension between the supply and demand for labour is of course normal, and is sometimes serious, as when the increasing supply of unskilled foreign workers is met by growing resistance from receiving societies despite continuing demand for unskilled labour. The traditional solution to the abundance and scarcity of labour is to address either supply or demand. Developed countries, it is argued, should be restructuring their economies to alter demand, whereas developing countries should invest in new industries to absorb unskilled workers.

This perspective, however, is no longer adequate for a number of reasons. First, the massive movement of labourers in the contemporary global economy can no longer be controlled by political and economic measures, which have generally resulted in an increase in migration law violations: a vast black market has emerged, and, worse, all kinds of human rights abuses. Worldwide, organised gangs are believed to traffic 4,000,000 people per year, generating up to US\$7 billion. The trafficking of migrants across borders, particularly women and children, is thus a burning issue for the International Labour Organisation. Many developed countries have become dependent on the labour of illegal migrants, whose numbers suggest it is illusory to believe their situation will be legalised, or that economic arrangements will control their movement.

Second, contemporary labour migration is structurally different from past labour migration. The globalisation of the world economy causes tension between the need to encourage the international movement of people and the nationalist agenda of most Asian and Pacific countries. In addition, individual mobility has dramatically increased as a result of technological advances in transportation and communication. It has simply

become easier to move around, and this allows people to migrate not only for economic reasons, but also for cultural ones. Thus many university-educated Philippine women are willing to accept jobs overseas as domestic servants: for them, migration means sacrificing social status for an income that enables them to support their families. Such non-economic factors are increasingly significant; labour is not only a commodity but can be crucial to a person's status and identity.

A third reason why neoclassical economics is outdated is intertwined with the increasingly transnational character of migration. The distinctive feature of transnational migration today is that connections between place of origin and place of destination are more easily maintained. As a consequence, migration has become inherently dynamic, which – paradoxically perhaps – implies that it will continue. Still, many governments, instead of normalising migration, cling to the myth of its transience and try to control it to serve their economic needs.

Towards a new approach

If migration can no longer be explained by the ancient laws of supply and demand; if it can no longer be understood within a framework of costs and benefits; if it can no longer be controlled by governments because of its transnational character, then how can we make sense of transnational labour migration? Contemporary migration dynamics prompt us to critically review not only neoclassical economics, but also the rigid use of formal categories within the social sciences. If we are to adequately understand the underpinnings and implications of transnational labour migration, we need to come to terms with its fluidity and multiplicity. For this reason, too, a new paradigm for its study should confront economism, query the centrality of the nation state and challenge the notion of homogeneity in processes of development. ◀

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Epeli Hau'ofa. Rather than focus on the geographical isolation of the islands, he invokes the metaphor of the sea as connecting them: Oceania is a 'sea of islands'. By highlighting long-term migration patterns, Hau'ofa regards current diasporas as the culmination of an ancient dynamic. Although this view of migration is innovative, it does not account for increased mobility over the past few decades.

The most frequently invoked interpretation of contemporary migration in the Pacific is MIRAB, an acronym which stands for Migration, Remittances, Aid and Bureaucracy. A MIRAB economy is organised along two lines. Transnational corporations of kin send out migrants who in turn send back money, goods and new ideas; in some countries

the combination of these three types of remittances during the lifetime of an emigrant makes the circulation of remittances into a kind of informal family credit market that enables 'transnational corporations of kin' to get the highest returns on human capital investment.

International aid – the other component of the MIRAB theory – is usually also dismissed as a potential basis for an economy. But in a less economic interpretation, it is also difficult to reject. Islands simply have more geostrategic importance than continental countries of equivalent land area. For that reason, too, the Pacific Islands receive 37 times more than the average