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### COVID-19 and its Impact on Labour Migration: The Case of Asia

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# COVID-19 and its Impact on Labour Migration: The Case of Asia<sup>1</sup>

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## Abstract

Globalized economy relies on labour migration. In the current effort to rebuild the future in an early post-COVID world, the impact of this health crisis had on the international migration workers should be studied. For more than a year now, professionals of different skill levels have been obliged to either return to their home country or to stay trapped in their destination country unemployed or with little access to social security or the ability for self-protection by potential virus infection. The impact was huge both for the origin and the destination countries. One of the most important effects was on international remittances. Some initiatives were taken to manage this situation. This policy brief aims to enlighten new areas on which extra effort should be made regarding labour migration.

**Keywords:** Labour migration; COVID-19; Asia; origin and destination countries; employability.

## Introduction

The current globalized economy relies on labour migration (IOM, 2020). International labour migration<sup>3</sup> seems to be an integral and necessary part for the status quo of our economy. Undoubtedly, the face of labour migration is very different not only in every city, country and continent but also for each family and professional sector. The current health crisis brought up the discussion about migrant labour. While there are important exceptions for specific professions (such as doctors, scientists, policy makers, journalists, governmental official, etc.) the majority of work travelers are not able to continue traveling and may not be able to do so for the foreseeable future (Yayboke, 2020). An important distinction should be made between business trips, i.e. have a base in the origin country and traveling for some days to visit a client/partner etc. and migration labour, i.e. people living their origin country to migrate for a long period of time (not necessarily permanently) to save money and send remittances back to their family. The majority of these people are low-skilled workers who are in the forefront of travel restrictions (Migration Data Portal, 2021). Due to COVID-19 related layoffs, many of them risk their legal residence in the country as they are on temporary work visas (Ranjan, 2020). In other words, these people should either find another job suitable for their visa category, try to acquire a different type of visa or decide to take one of the scarce flights back to their home country.

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<sup>3</sup> **Labour migration** according to the International Organization for Migration is *the movement of persons from one State to another, or within their own country of residence, for the purpose of employment. Labour migration is defined as covering both migrants moving within the country and across international borders* (IOM, 2021).

All the above-mentioned scenarios seem equally difficult or not even feasible in some cases. Finding another job during the pandemic is challenging and, in some cases, not even possible for migrants as due to the lack of job vacancies, open positions are covered by locals instead of migrants. However, this is not always the case. For example, during the last one year, there was an increase in labor migrants in specific professional sectors and in the framework of the developing gig-economy<sup>4</sup>. Migrants get hired for supportive services (food delivery, hospitals' cleaning, supply chain, track drivers, emergency manufacturers for gloves and sanitizers, etc.) usually as temporary, contract workers for a commitment of a specific period of time (ADBE, OECD & ILO, 2021). Of course, this kind of professions put them into greater risk of infection while at the same time they may have decreased accessibility to the health system. At the same time, trying to get different type of visa can be impossible as public services are, in the most countries, not open to the audience and online communication or digital platforms are not enough developed to support this kind of procedures. Finally, regardless of the difficulty to go back home because of the rarity of flights, returning to the origin country may be as harmful for the family and the migrant as staying in the reception country. Chances are that economic hardship in the origin country would be, if not worse, at least the same and job positions would not be available (Irudaya Rajan, Sivakumar & Srivasan, 2020). Even though data show that the total amount of remittances sent to the origin countries has increased because some migrants returned back home with their savings, this is beneficial only for the very short-term (ADBE, OECD & ILO, 2021). After a while, the lack of remittances sent from migrants to their families and as a result to the local economy, will put them into great financial strain. This fact, in turn, increases global inequality.

This brief discusses the impact of COVID-19 on labour migration both for the country of origin and for the country of destination. What is more, it comments on the impact on the international migration and suggests specific measures which could be taken from different actors not only on a national level but also on the international one. The focus area of the brief is Asia as it is a continent with both major origin and destination countries for labour migration.

### **The impact of Covid 19 on the countries of origin in Asia**

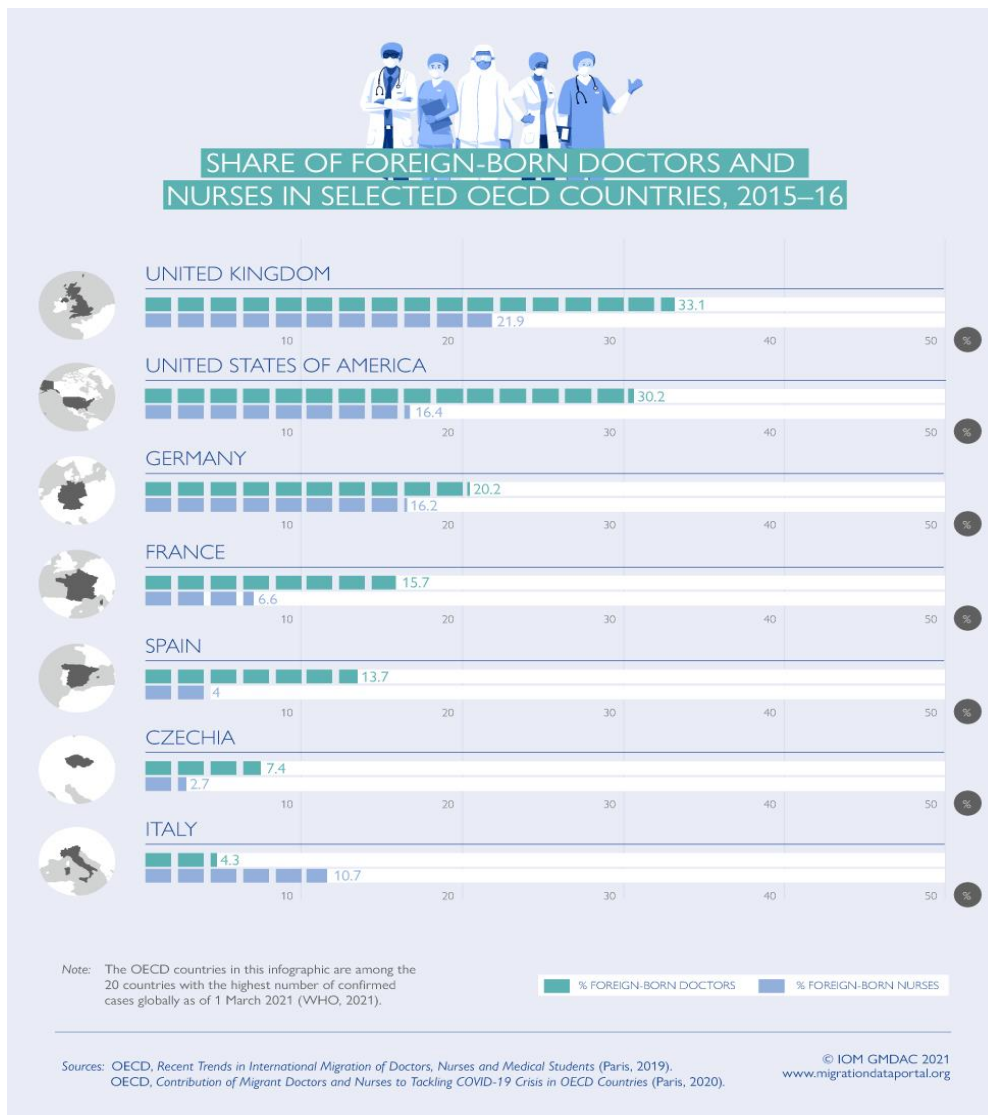
Before the COVID-19 pandemic, the number of international migrants globally was 272 million (3.5% of the world's population and 74% of all migrants were of working age (20-64 years). Two out

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<sup>4</sup> **Gig-Economy** is based on flexible, temporary, or freelance jobs, often involving connecting with clients or customers through an online platform. The gig economy can benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and demand for flexible lifestyles. At the same time, the gig economy can have downsides due to the erosion of traditional economic relationships between workers, businesses, and clients. (Investopedia, 2021).

of three countries with the largest number of migrants living abroad are Asian countries, i.e. India (17.5 million migrants) and China (10.7 million migrants). Accordingly, these two countries are the top 2 remittance recipients in the world and USA, UAE and Saudi Arabia are the top remittance-sending countries. Migrant workers are estimated to be around 164 million, 58% out of them are men and 42% are women (ADBE, OECD & ILO, 2021). Another important fact is that among the 20 countries with the highest number of COVID-19 cases as of 1 March 2021, at least 7 countries depend on migrant workers in the critical sector of healthcare services (see Image 1).

**Image 1: Share of Foreign-Born Doctors and Nurses in Selected OECD Countries**



There is no doubt that labour migration has a potential of a triple-factor impact. To begin with, for the countries of destination, migrant laborers contribute to the economic growth through the increase in human capital of different skills levels. For countries of origin, international labour migration reduces home underemployment and most importantly, increases remittances. Especially the latter is

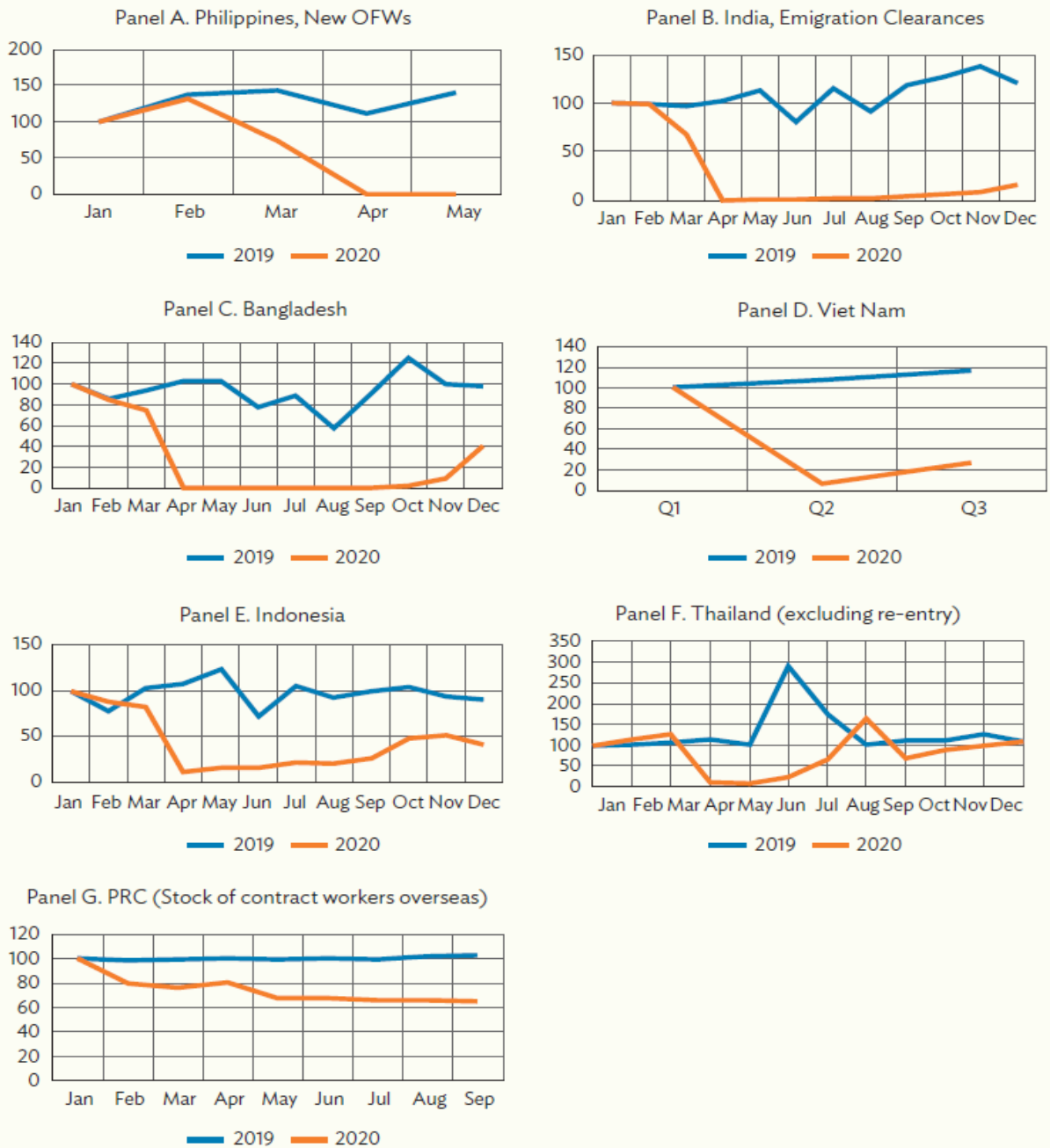
crucial for some Asian countries whose economy relies on the inflow of dollars coming in the country by migrant workers (Rahman et al, 2014).

Focusing on the outflows of migrant workers, there was radical collapse of deployment during the first months of the pandemic (see image 2). The Philippines, one of the largest, at an international level, origin countries (in comparison with the size of the population) , saw a radical decrease concerning the outflow of migrant workers. From January to May 2020, new hires deployed were only 71.000, i.e. 60% lower compared to the 174.300 migrants who were deployed the same period of 2019. India, the first country in the world in receiving remittances, from April to September 2020 had only 1.6% of the outflow of the same period of 2019 (Khadria, n/a). Bangladesh, Pakistan, Sri Lanka, Vietnam, Indonesia, Nepal, Thailand and People's Republic of China: all of them faced a more or less important decrease in the number of labour migrants (ADBE, OECD & ILO, 2021).

In addition to the decreased outflows, since the beginning of the COVID-19 health crisis and as a response to it, many labour migrants decided to return to their home countries (Foley & Piper, 2021). Economic restrictions, jobs layoffs, expiration of their residence permit, border closure, the risk of infection by the virus and in some cases unequal treatment by the social services, led many labour migrants to go back to their origin country. It should be noted that there were also a lot of people who wanted to return but they could not due to many reasons and among them, due to reduced international flights and their government's lack of readiness to accept them back.

Until now, three different effects of the COVID-19 pandemic are mentioned: decreased outflows from the origin countries, increased number of returnees and migrants stranded in their host country sometimes without being able neither to work nor to travel back home.

**Image: Changes in Outgoing Deployment, 2019-2020**



OFW = overseas foreign worker, PRC = People's Republic of China.

**Source:** Asian Development Bank Institute, Organization for Economic Co-operation and Development, and International Labour Organization (2021). *Labor Migration in Asia: Impacts of the COVID-19 Crisis and the Post-Pandemic Future*.

All in all, in many cases migrant workers returned back home with more debt than when they left. At the same time, the remittances they were sending from the destination country back to their origin country were, in the vast majority of cases, the basic income for their families and a strong boost for the local economy. Their return, due to the pandemic, was harmful for the economic growth of their

country of origin as well as for the economic sustainability of the households. Even though the total amount of inflow remittances slightly increased because migrants brought with them their savings, the recurrence radically decreased and stopped (Migration Data Portal, 2021). Taking into consideration that 90% of global remittances are sent by migrants from the countries most affected by COVID-19, the spillover effect spread rapidly (Migration Data Portal, 2021). What is more, many migrant labourers reported salaries being withheld and non-paid because of the emergency situation many companies were faced with due to COVID-19 and because of the short time available prior to their return (Knomad, n/a). On top of that, migrants returning to their countries need to be integrated again into the local communities both socially and financially. However, the majority of the biggest countries of origin are also struggling financially and the pandemic made the situation even worse. The protection and support measures both on a regional and on an international level were inefficient and inadequate (Saddiqi, 2021).

### **The impact of COVID 19 on the destination countries in Asia**

The impact of COVID-19 pandemic was also important for the destination countries in Asia. Specifically, from April to August 2020 there was a decrease of foreigners entering Japan on work visas, excluding re-entry, from 123.000 to 627 compared to 2019 during the same period. At the same time the number of interns entering the country decreased impressively. Also, the number of labor migrants decreased in the Republic of Korea and in Malaysia only for some months. In Thailand the registration of work permits fell to 1/3 of their pre-pandemic levels and in Hong Kong, China the number of employment and investment visas were reduced (ADBE, OECD & ILO, 2021).

The fundamental outcome of the above-mentioned facts for the destination countries is the decline in the stock of migrant workers. For example, in Singapore, the number of migrant workers fell by more than 5% during the first 6 months of 2020, i.e. more than 70.000 workers. A visible decrease there was also in Taipei, China (ADBE, OECD & ILO, 2021). In Asian countries which basecore job functions on their migrant workforce, the pandemic had serious negative results. When it comes to low-skilled migrants, the lack of them, due to reasons mentioned before (return to home country, etc.), means lack of workforce for gig-economy job positions. Part-time, domestic, construction and food delivery services which are usually staffed by low-skilled migrants faced a lack of human capital. Furthermore, another outcome of this situation is that each destination country had to coordinate the process of return of migrants back to their home countries. What is more, the country had the responsibility to keep under control the infection rate among the migrants. Migrants in general and many of the labour migrants specifically were much more exposed to the possibility of infection by COVID-19 because of the lack of access to proper healthcare and social security system and their

poor living conditions. As a result, each destination state had to create, if not already existing, and support both financially and in terms of workforce an efficient and effective social security emergency mechanism for labour migrants. The aim of this mechanism is the coordination of the extra help needed for those who were hit harder by the health crisis (ILO, 2019). Finally, another major effect of the pandemic for the destination countries which used to base a lot of their job functions on migrants, either low-skilled or high-skilled, is the turn to automatization. It will not be surprising that after the recurrent lockdowns and opening-closure of borders, these destinations would need fewer migrants for their workforce because of the advancement of automatization.

### **Policies suggested**

Counting more than a year since the beginning of the pandemic, there were some emergency measures taken from the Asian countries to protect labor migrants. For example, Philippines put a limit on deployment of new agency or direct hires of healthcare workers to other countries (ADBE, OECD & ILO, 2021). This kind of protectionism seemed to be quite common during the last months as the majority of countries needed to protect themselves and their local workforce. Even though such initiatives on a local level are necessary, they are not enough unless they are part both of a more developed network of interconnected national and international actions and of a worldwide aim for solidarity.

In this context, local governments should focus on the improvement of emergency preparedness planning in a crisis context. The global network is always present. However, each separate country should be alert for urgent needs and able to rely on its own forces (IOM, 2020). Developing crisis management skills of the administrative institutions is necessary not only for the current situation but also for the future (Paliath, 2021). The COVID-19 pandemic should work as a lesson for future learning after all. Labor migration governance should be strengthened in all levels. Many changes should be made both in terms of the administration and goal-setting. Migrants' wages protection and improvement should become a crucial priority. At the same time, extra effort should be made on the improvement of housing conditions of labor migrants as their poor living standards are very often the cause of infections' rate increase (ILO, 2020). In general, their access in the social security system should be either considered as of particular emergency need or, at least, secure and stable.

However, all the above would not be determinant if the general framework of migrant workers' social integration and cohesion is not extended (Gagnon, 2021). Two suggestions are made here. First of all, migrant workers should not be dependent by their current job but to be able to adapt to the changing circumstances by constantly increasing their employability. In other words, an idea would



be to emphasize on the improvement of the access migrants have to upskilling and reskilling. In this way, they would be more resilient to emergency and as a result more adaptable and self-sufficient. The state would not need to apply urgent support plans on a great extend and both socially and financially would operate more efficiently. At the same time, increasing the employability of migrants would also lead to the increase of employability of locals as they would need to upskill themselves to be able to “compete” the rest of the workforce. The second suggestion is to ensure Migtech advancement. Migrant Access to Technology is a key component to avoid isolation. Furthermore, it provides access to reliable information for migrants during the migration cycle, i.e. pre-departure stage, post-arrival stage, return and repatriation stage. Finally, it supports digital literacy as it opens new online learning channels and digital tools.

To sum up, labor migration is a crucial topic and it became even more important during the current health crisis. The impact of COVID-19 on both the countries of origin and destination in Asia is prominent and deep-rooted. Already, some measures have been taken and new policies have been adopted to support people under this status quo. However, many more actions can take place and their proper coordination on both the national and the international level would be beneficial and fruitful not only for the global labor migrant community but also for the global workforce in general.

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