THE COMMODIFICATION OF INTERNATIONAL MIGRATION: FINDINGS FROM THAILAND

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ABSTRACT
The organisation of international contract-labour migration within Asia has been increasingly dominated by commercial agencies acting as intermediaries between workers and foreign employers. The principles underpinning the gatekeeping role of such agencies in the East Asian migration system are examined. A consideration of the international labour recruitment system in Thailand is based on survey work among agents, community leaders and recently returned migrants.

Key words: International migration, Thailand, Asia, recruitment agencies, contract labour, key contacts

The last two decades have seen considerable growth of international contract migration, where individual migrants, unaccompanied by family, are hired for a specific job for a fixed period of time. The structural basis is the increasingly uneven development of the capitalist economy, not simply between North and South, but also within major regions like Eastern Asia (taken throughout this paper to incorporate South East Asia). The facilitating factors include falling real air fares and the ever developing transmission of information transnationally, but the nature of the labour flow as contract migration is determined by the reluctance of governments and societies at destination to contemplate any significant settlement, as opposed to sojourn, of migrant workers.

There has been an associated growth of research on contract labour migration, especially in Asia, the part of the world in which it is most concentrated (overviews include Arnold & Shah 1986; Stahl 1986; Abella 1992; Gooneratne et al. 1994; Martin et al. 1995; OECD 1996). Nevertheless, the point has been well made (Lindquist 1993) that the analyses have focused primarily on the socio-economic and political impacts of labour migration - and not on the migration process itself, which links the global economy to internal structures in the sending communities. While macro-level factors underpin the functional linkages between countries involved in any migration system (Fawcett 1989), it is at the micro-level that migration links are organised. The two most important institutions involved functionally in linking employers in the more developed economies to prospective migrants in less developed countries are transnational social networks and recruitment agencies.

The analysis of social networks is a recurring theme in the social sciences, so that their role in stimulating migration has been extensively researched. For migrants, the key social networks are the webs of interpersonal relations based on family, friendship and community ties which selectively channel information, patronage and resources from areas of migrant...
destination to areas of origin so as to sustain migration streams once they have originated (Boyd 1989). Increasingly, however, commercial and bureaucratic agencies have supplemented such networks in the organisation of international labour migration, especially in Asia. The term ‘immigration industry’ is now widely used to describe the growing numbers, not only of recruitment agents, but also of a whole host of commercial providers of ancillary migration services, both legal and illegal.

Probably because of their frequent involvement in illegal activities, recruitment agencies have attracted comparatively little research attention. Thus, in his framework of migration system linkages, Fawcett (1989, p. 679) argues that ‘knowledge is weakest for topics covered under the categories of Mass Culture Communications and Migrant Agency Activities’; Goss and Lindquist (1995, p. 337) state that ‘The employer and the complex networks of recruitment agencies that link it with the migrant are remarkable by their absence in most accounts of international labour migration’; and Hugo (1996, p. 109) suggests that ‘groups of recruiters, lawyers, agents, organizers, travel agents and intermediaries of various kinds, often comprising complex networks linking origin and destination, have become important gatekeepers in global immigration processes, both legal and illegal. Their role, however, remains little studied or understood’. There has been little theoretical development beyond a tentative framework provided by Salt and Stein (1997) in relation to largely European experience. In response, this paper attempts to advance knowledge in the field by analysing the role of recruitment agencies in Thailand, one of the major labour-exporting countries in Eastern Asia. It prefaces this by a consideration of the principles underpinning the rapid development of such agencies in the wider region.

RECRUITMENT AGENCIES AND INTERNATIONAL LABOUR MIGRATION IN ASIA

The organisation of international labour migration within Asia has been dominated increasingly over the last two decades by agencies, which, for a substantial fee, act as intermediaries between workers and foreign employers. The agencies are responsible for the recruitment, documentation, mobilisation and transport of workers. They can be expected to play a particularly important organisational role whenever:

- there are real difficulties in making employment and migration arrangements due to problems of culture, language and distance, and to stringent bureaucratic requirements for exit passes, entry visas and work permits;
- there are very few existing social networks between countries, and therefore no pool of migrant contacts;
- there are appreciable wage differentials between the countries of origin and destination, which implies the existence of an economic rent when the worker moves abroad. In effect, the rent is shared between foreign employer, worker, recruitment agent and other intermediaries;
- governments at destination are firmly opposed to the settlement and assimilation of migrant workers, and instead promote, or at least tolerate, a transient, tractable and segregated expatriate workforce. Even when employers argue for the greater efficiencies associated with longer contracts – as, for example, in Taiwan (Lee 1996) – two-year, non-renewable contracts are the norm. In such circumstances of rapid turnover and replenishment of migrant labour, recruitment agencies provide an important organisational service.

All these conditions are found par excellence in Eastern Asia, so much so that the great majority of international migrant workers within the region make their arrangements through an agent and pay some of the highest placement fees in the world – averaging about a third of their first-year earnings (Martin 1996).

Although there is a well-established history of private recruiters involved in international migration flows within Eastern Asia, particularly those from China to South East Asia in the nineteenth and early twentieth centuries, the modern form of recruitment agencies for international migration emerged in Eastern Asia to serve the burgeoning labour demands of the oil-rich Middle Eastern states as oil prices surged in the mid 1970s. Initially, inter-
national construction companies sought out workers in Eastern Asia and provided transportation expenses, high wages and other incentives; in Thailand, for example, this was done by companies that had familiarity with the North East of the country from the American air bases they had built there during the Vietnam War (Singhanetra-Renard 1992). But as awareness of employment opportunities abroad spread and labour supply rapidly began to outstrip demand, Middle Eastern employers found it advantageous to shed their recruitment role to agencies financed by the placement fees they were able to extract from the growing number of aspiring workers.

Recruitment agencies had so firmly established their position in the migration culture of the region that they were able to maintain their key gatekeeping role as the prime focus of East Asian labour migration shifted increasingly in the last ten years from the Middle East to the growth economies (until 1998) within the region, notably Japan, the NICs (newly industrialising countries of Hong Kong, Singapore, Taiwan and South Korea that are now moving to service-dominated economies and off-shore production) and the oil-rich state of Brunei. Such is the pattern of uneven development within the region that the labour-deficit states lie in close proximity to several formerly higher-fertility and currently labour-surplus countries with populations and governments anxious to access high-earning prospects abroad, while there are some countries of intermediate economic status like Thailand and Malaysia which are both appreciable labour exporters and importers; for an elaboration of this regional pattern, see Jones and Findlay (1998). Best estimates suggest that the stock of foreign workers in Eastern Asia has risen from about one million in the early 1980s to over three million in the mid 1990s, with about one million workers migrating each year for employment to another country of the region (Abella 1995; Martin 1996).

While useful research overviews have begun to emerge on the role of international labour recruitment in Eastern Asia (Abella 1995; Martin 1995, and other contributors to a special number of Asia and Pacific Migration Journal, vol. 5, no. 4) these tend to concentrate on bureaucratic structures of recruitment at national levels. Only a very small number of studies address the recruitment process at an individual or local community level, notably Spaan (1994) for Java, and Go (1995), Lindquist (1993) and Goss and Lindquist (1995) for the Philippines. Comparable studies in Thailand (Rigg 1989; Singhanetra-Renard 1992) focus on the earlier pattern of labour migration to the Middle East rather than on the 1990's movements to other parts of Eastern Asia.

**THE INTERNATIONAL LABOUR RECRUITMENT SYSTEM IN THAILAND**

Four institutions control the functional linkages between Thai workers and employers abroad: the Thai Government, the main recruitment agencies based in Bangkok and the leading provincial centres, the various categories of sub-agents operating at a local community level, and crime-related syndicates.

**Government** – At the level of the State, migration institutions in the labour-deficit countries of Eastern Asia are remarkably undeveloped, despite the powerful role of their governments in laying the bases of economic growth. There are no equivalents to the inter-governmental labour recruitment agreements between Germany and a host of South European and North African countries in the 1960s. This reflects fears that immigration can 'swamp' small populations (Hong Kong, Singapore) or contaminate self-perceived, culturally homogeneous societies (Japan, Korea), since formal agreements might constrain the flexibility to send workers home when desired. This has meant that labour immigration has invariably been initiated by employers spontaneously, and often clandestinely, with the State subsequently reacting in an ad hoc unco-ordinated fashion through immigration guidelines and legislation.

In contrast, governments of the East Asian countries of labour origin have played a powerful role in promoting and often organising labour migration – more so than in any other part of the world (Abella 1992; 1995). There are instructive comparisons with fertility control programmes, where East Asia has again been the world leader. Both are institutional responses to problems of poverty and structural
transformation in large, dominantly agricultural, populations. As opposed to the longer-term impact of fertility reduction, labour migration overseas is seen as immediately relieving pressure on the internal labour market, earning valuable foreign exchange through remittances, and often diffusing social and political protest. The negative aspects of labour migration, centring on compromised human rights of workers, are often rationalised on the basis that labour migration is a temporary, but necessary, phenomenon during the course of economic transformation.

The promotion, therefore, of labour migration overseas was a part of Thailand’s National Development Plans from the late 1970s until the early 1990s. As with other major labour exporters in the region (Philippines, Indonesia, Bangladesh) the Government has promoted market liberalisation by initially permitting, and then encouraging, labour recruitment through private agencies. Its involvement in migration has focused on:

- negotiating abroad for labour-market shares.
- regulating the activity of recruitment agents in an attempt to reduce exploitation of workers. Approved dispatch of workers abroad is confined to licensed agencies (about 230 in 1995) which are required to meet fairly stringent conditions in their recruitment practices.

Reality, however, falls far short of intention. Many of the Government’s requirements, especially on maximum fees, are circumvented – by legal as well as illegal agencies. Moreover, the Thai Government’s influence on working conditions abroad is limited by the highly competitive nature of the international labour market, by the persistent refusal of the major destination countries to be signatories of conventions on international migrant workers, and by the mere handful of labour attachés

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Table 1. Overseas contract workers from Thailand processed on departure by labour authorities, by selected countries of destination.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>61,442</td>
<td>5,035</td>
<td>1,825</td>
</tr>
<tr>
<td>Libya</td>
<td>13,215</td>
<td>4,597</td>
<td>1,900</td>
</tr>
<tr>
<td>Israel</td>
<td></td>
<td>1,797</td>
<td>14,908</td>
</tr>
<tr>
<td>Rest of Middle East</td>
<td>13,271</td>
<td>5,590</td>
<td>3,974</td>
</tr>
<tr>
<td>Singapore</td>
<td>11,056</td>
<td>14,171</td>
<td>17,601</td>
</tr>
<tr>
<td>Brunei</td>
<td>8,630</td>
<td>14,750</td>
<td>20,714</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>6,529</td>
<td>5,182</td>
<td>4,301</td>
</tr>
<tr>
<td>Japan</td>
<td>3,825</td>
<td>5,588</td>
<td>10,118</td>
</tr>
<tr>
<td>Malaysia</td>
<td>611</td>
<td>11,358</td>
<td>9,363</td>
</tr>
<tr>
<td>Taiwan</td>
<td>168</td>
<td>66,891</td>
<td>96,097</td>
</tr>
<tr>
<td>Other countries</td>
<td>6,567</td>
<td>2,991</td>
<td>4,635</td>
</tr>
<tr>
<td>Total</td>
<td>125,314</td>
<td>137,950</td>
<td>185,436</td>
</tr>
</tbody>
</table>

*Source: Annual Reports of Government of Thailand, Department of Labour.*

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deployed (less than five in Taiwan in 1996 to deal with over 130,000 Thai workers).

An interpretation of the official data on workers going abroad by their country of employment and documentation arrangements (Table 2 and, in stylised form, Figure 1) suggests that there are two dominant categories:

- workers being sent by agents, especially to the more distant and difficult-to-access destinations;
- workers making their own arrangements, mostly going to well known, relatively near destinations (Malaysia, Singapore) or returning to countries for new contracts, having made arrangements themselves with former employers; for these movements to be legal (and included in official data like Table 2) workers have to register with the Department of Labour at least 15 days before departure.

Unrecorded in the official data are moves for employment not reported to the Department of Labour. There are three major categories:

Table 2. Numbers of Thai contract workers departing by registration/documentation category, major countries of destination, 1996.

<table>
<thead>
<tr>
<th>Country</th>
<th>Individual arrangements</th>
<th>Dept. of Labour</th>
<th>Employer arrangements</th>
<th>Trainee arrangements</th>
<th>Private agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>1,825</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Israel</td>
<td>702</td>
<td>-</td>
<td>2</td>
<td>35</td>
<td>14,169</td>
</tr>
<tr>
<td>Singapore</td>
<td>8,517</td>
<td>5</td>
<td>890</td>
<td>252</td>
<td>7,937</td>
</tr>
<tr>
<td>Brunei</td>
<td>12,340</td>
<td>7</td>
<td>45</td>
<td>-</td>
<td>8,322</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3,406</td>
<td>20</td>
<td>70</td>
<td>73</td>
<td>732</td>
</tr>
<tr>
<td>Japan</td>
<td>5,491</td>
<td>217</td>
<td>517</td>
<td>3,893</td>
<td>-</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7,938</td>
<td>-</td>
<td>480</td>
<td>91</td>
<td>854</td>
</tr>
<tr>
<td>Taiwan</td>
<td>24,562</td>
<td>1,793</td>
<td>109</td>
<td>293</td>
<td>69,340</td>
</tr>
</tbody>
</table>

Source: Data supplied by Government of Thailand, Office of Administration of Thai Workers Abroad.

Figure 1. Approved labour placement channels for Thai workers abroad (the dominant channel is indicated by thicker arrows).
workers sent abroad by unregistered (illegal) agents, usually on limited-term, social-visit passes (within the ASEAN region) or tourist visas;

- workers making their own arrangements, but again using tourist passes or visas;

- criminal syndicates that move workers clandestinely across land borders or bribe authorities at airport exit and entry points.

It has been claimed that Thailand, like the Philippines but very unlike Indonesia, China and Vietnam, has been fairly successful in ensuring that its nationals use official channels for employment abroad. Abella (1995, p. 13), for example, suggests that only about 10%–15% of Thai foreign workers escape the official registration system. However, discussion with local community leaders, sub-agents and return migrants reported later in this paper, and information provided in the small number of studies of Thai workers in destination countries (especially Wong 1996), suggest that this estimate is very much on the low side. Table 3, for example, shows that exit counts of Thai workers going to Japan (column 1) are considerably out of line with data on Thais recorded within Japan (columns 2–4).

### Registered main agencies

Since Bangkok has long been recognised as the most primate city of any major country in the world, it is not surprising that three-quarters of the agencies officially permitted in 1995 to send workers abroad are located in Greater Bangkok (Figure 2). Links with government agencies, embassies and airport are clearly more important to these agencies than proximity to prospective workers. Links to such workers in the provinces are established through local sub-agents and the substantial circular migration for temporary employment between rural areas and the capital. A second concentration of agencies is in the North East – the poorest, yet densely peopled, region of the country that has long been the major source of Thailand's international migrants as well as its internal migrants to Bangkok (Parnwell 1986). There is a further small grouping of agencies in the only other region, the North, to send significant numbers of documented workers abroad.

The first agencies to emerge in Thailand in the late 1970s owed much to workers returning from the first, highly profitable phase of work in the Middle East and then forging links with established domestic employment agencies or with entrepreneurial village leaders (Singhane-

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour migrants recorded by Thai Government</th>
<th>Industrial traineesa admitted</th>
<th>Visa over-stayers (one date in year)</th>
<th>Deportations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>3,825</td>
<td>4,502</td>
<td>*</td>
<td>1,919</td>
</tr>
<tr>
<td>1990</td>
<td>4,210</td>
<td>5,075</td>
<td>11,523</td>
<td>2,239</td>
</tr>
<tr>
<td>1991</td>
<td>6,263</td>
<td>6,290</td>
<td>19,093</td>
<td>5,582</td>
</tr>
<tr>
<td>1992</td>
<td>6,773</td>
<td>5,385</td>
<td>44,354</td>
<td>7,610</td>
</tr>
<tr>
<td>1993</td>
<td>5,588</td>
<td>4,075</td>
<td>55,383</td>
<td>12,640</td>
</tr>
<tr>
<td>1994</td>
<td>8,848</td>
<td>*</td>
<td>50,010</td>
<td>10,730</td>
</tr>
<tr>
<td>1995</td>
<td>8,500</td>
<td>*</td>
<td>43,014</td>
<td>*</td>
</tr>
</tbody>
</table>

* No data.

* Initially trainees moved within multinational corporations or from subsidiary companies, but now the dominant flow is to small manufacturing firms with labour shortages. Such firms are permitted to recruit trainees – in effect, cheap, unskilled workers – for up to two years under the auspices of local governments, chambers of commerce or business co-operatives (Okunishi 1995).

Sources: Annual reports of Thai Government Department of Labour; Furuya (1995); Okunishi (1995); Morita and Sassen (1994).
More recent agencies have emerged more from migration-business experience of the type described in the following interviews with the owner-managers of two agencies in the North East in 1996.

**Case 1**: ‘I had a shop selling agricultural implements in the village. Many asked me for a loan to go abroad. Before I let them have money, I had to check whether it was legal or illegal, to make sure I got my money back. After a while, I knew more and more about recruitment. At last, I decided to do it on my own, sending only to Brunei and Singapore. My daughter helps me by travelling to Brunei to contact employers directly.’

**Case 2**: ‘I worked in a bank for 20 years. I worked on lending money to those going abroad, usually 30–40,000 baht (US$1,200–

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US$1,600; throughout the paper 1995–96 exchange rates are used). They put up their land as security. This made me understand more about the process, so I decided to do it myself. I co-operate with three to four other companies, so that if they have work positions they cannot fill, they ask me to send some workers.’

These interviews are part of the fieldwork programme conducted by us in 1995 and 1996. A conventional method in migration fieldwork is the use of household surveys. However, given the limit to the number of interviews manageable in most research projects, the information collected in this way may well only be representative of one or a small number of villages, so that the findings cannot be extended with any confidence to a wider population. That is why we have preferred to use key contacts in a more geographically widespread method of information gathering.

Six clusters of 10–13 villages (each village typically containing 150–250 households) were chosen from different parts of the Northern and North Eastern regions. In each of the 63 selected villages, a common structured interview was conducted with a knowledgeable key contact, invariably the headman but sometimes his deputy. These village leaders have a remarkably detailed knowledge of all families in their village, attested by their key role in data gathering in other research investigations in rural Thailand (Funahashi 1996). Their knowledge of international migration is enhanced if they themselves have worked abroad, which was the case for as many as 29 of our key contacts. Most of these had been involved in the earlier phases of labour migration to the Middle East, when the lucrative rewards would have enabled them to build up the influence and patronage needed to become elected as community leaders.

The interview with key contacts covered many facets of labour migration overseas, including socio-economic impact on the village, but this paper focuses exclusively on that part of the interview dealing with recruitment processes. These processes were examined further through individual biographies obtained from detailed interviews in the same field areas with two registered (legal) main agents, six sub-agents (one registered and five unregistered), and 22 recently returned workers from East Asian countries (six from Japan, five each from Taiwan and Hong Kong, four from Singapore, and one each from Brunei and Malaysia). Not a single interview with village leaders, agents or migrants was refused, but no claims can be made for regional, let alone national, representativeness. The purpose of the interviews was simply to understand better the micro-level processes involved in the wide range of recruitment practices.

Specific information on the activities of the main recruitment agencies was obtained from a 1996 postal questionnaire administered to Thailand’s 230 officially listed and registered agencies. Follow-ups by phone indicated that at least 28 of the agencies were not operational at the time of survey. The low response of 46 from an eligible total of about 200 was not unexpected for a survey of this type, but it does raise the usual problems of possible bias. Although some reassurance may be provided by the regional distribution of responses (74% from Bangkok) being almost perfectly representative of the location of all agencies (75% in Bangkok), we are reluctant to provide more than a very limited analysis of the returns.

The survey reveals the agencies to have relatively small numbers of staff (26 with under ten staff, and only three with over 20) to process the numbers of workers they send abroad (40,800 in aggregate in 1995). This implies a heavy reliance both on agencies abroad to acquire jobs and process workers at entry, as well as on a range of sub-agents throughout Thailand to recruit workers; indeed, 28 of the 46 agencies indicated that less than 30% of their workers came to them independently (less than 20% for 22 agencies). Their leading forms of job advertising were, in order, newspaper adverts, information to sub-agents, government labour offices/recruitment fairs, radio commercials, and posters/leaflets. Only a minority of agencies provided loans (17), most leaving this function to sub-agents and banks, although the majority gained commission from arranging insurance policies for workers. The great majority (40) sent their workers routinely to the Government’s pre-departure orientation course (29 agencies sending all their workers) as well as providing
an orientation course of their own (28 providing this for all their workers). Only a small proportion of workers were sent on a specific skill-training course (only 11 agencies sending over 25% of their workers), indicating that the bulk of work organised by them for Thai workers abroad is unskilled.

Sub-agents - It is likely that the activities of local sub-agents play a powerful role in determining the spatially variable experience within Thailand of working abroad. The key contacts were asked to count the number of households in their village that had personal experience of working abroad. Table 4 indicates significant differences between the six clusters, ranging from every village in cluster 1 having over 40% of households with overseas experience, to nearly every village in cluster 6 having less than 20% of its households in this category. Less predictably, although as observed elsewhere in North Eastern Thailand (Rigg 1989; Singhaneatra-Renard 1992), there are often appreciable differences between villages in the same cluster, as indicated in Table 4 particularly by clusters 2 and 5. While this local variability in labour migration may relate to differences in agricultural potential and livelihood opportunities, it is much more likely to reflect local concentrations and continuities in information networks. Thus, in some villages, a migration culture is established by early, successful, but randomly distributed, migration experience being reinforced through the relationships forged by agents with returned workers and local patrons like village headmen.

It is the local sub-agents who are responsible for the face-to-face recruitment and initial processing of workers in their home communities and for their subsequent supervision until departure. While the Thai Government requires all sub-agents to be registered by licensed main agents, and therefore able to conduct their activities legally, there is no doubt that a substantial proportion, probably a majority, of sub-agents are not authorised - partly because the whole concept of sub-agent is a slippery one, embracing a variety of part-time and full-time recruiters with a variety of fairly informal, often transitory links to one or more main agencies. Despite publicity from the Department of Labour, prospective migrant workers invariably have little awareness of the legality status of agents. Much more important to them is the track-record of agents in trustworthiness, accountability and job placement.

Only one of the six sub-agents interviewed in our fieldwork programme was a full-time agent, managing one of the six provincial branches (two in the North and four in the North East) of a Bangkok agency owned by a relative. The other sub-agents were part-time, unlicensed and therefore illegal. The three following career profiles illustrate the diversity of background, role and scale of activity among sub-agents.

Case 1: 34-year-old male, also supported by rice farming and a fish pond. On leaving school, he worked in uncle’s recruitment agency in Bangkok for three years, then eight months in Malaysia, one year in Iraq and two years in Brunei as a construction worker. He returned to his uncle’s business before being poached by another recruitment agency, because of his acquired knowledge of Taiwanese employers. He quit after a year to start his own sub-agency, since by then he had met many main agents at the orientation courses or visa-issuing sections of embassies.

<table>
<thead>
<tr>
<th>Clusters</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%–19%</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>20%–39%</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>40%–59%</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>60%–79%</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>80% +</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>

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He now provides workers (about 600 per year) to as many as 20 main agents.  

Case 2: 39-year-old female, involved also in rice farming and a small retail business. After leaving school, she left her village to work in Bangkok factories for eight years. She returned for a year before going to Singapore as a factory worker for two years via an agency. She returned home for six months, before leaving again for Singapore, where work had been arranged independently by a Thai friend. After two years, she heard from relatives that the pay in Taiwan was four to five times higher than in Singapore, so she returned and applied for Taiwan with a Bangkok agency. The agency persuaded her instead to recruit workers in her village, offering her $200 per person. She worked for them for three years, recruiting about 80 workers a year and driving them to Bangkok. But the company cheated her, eventually paying her only $20 per worker. So she transferred to another company, recommended by a friend working in a government labour office. This firm has 20–30 sub-agents like her in the North Eastern region. She knows that her job is illegal and unreliable (she now only recruits two to three workers a month). She still wants to go to Taiwan.  

Case 3: 52-year-old male, also operating a pig farm and tyre business. He started as a sub-agent in 1979 at a time of major expansion in Thai labour migration to Saudi Arabia, seeing this as an opportunity to extend his business interests. Currently, he sends abroad through main agents 100–130 workers annually, largely to three destinations. The work contracts and travel arrangements for Taiwan and Israel are all legal, but those for Singapore, arranged via a Thai contact there, are illegal and officially undocumented. The work contracts and travel arrangements for Taiwan and Israel are all legal, but those for Singapore, arranged via a Thai contact there, are illegal and officially undocumented. Doubtless because he has recruited for almost 20 years in his home area, he emphasises his social responsibilities: interceding with the main agent to ensure the worker gets the job as originally specified; assigning, and paying, one worker in a batch to ‘keep an eye on’ the others, especially to prevent ‘escaping’ or ‘running away’ (terms widely used in the contract migration business); and advising and supporting workers’ families, particularly in the early months of a contract when remittances have to be deployed largely for fee repayment.  

Table 5 indicates typical placement fees, which vary very little from agent to agent and from region to region. Such information on fees is more reliably obtained from local community leaders and sub-agents than from main agents, since it is sub-agents who collect the whole fee from the workers and invariably arrange the necessary loans; they are also less reluctant than the licensed main agents to admit to charging, almost universally, well over the government-set levels. The fee differentials by country in Table 5 largely reflect the wage differentials between Thailand and particular overseas countries, so that the fee is only partly a measure of actual recruitment costs.  

A typical breakdown of the fee, which is never disclosed in this detail to workers, is provided in Table 6. This shows that a distinct-

| **Table 5. Typical fees charged by agencies in 1995 for sending Thai male workers to selected countries.** |
|-----------------|----------|
| Country        | US$‡     |
| Brunei         | 1,600    |
| Israel         | 2,200    |
| Japan          | 7,200    |
| Singapore      | 1,800    |
| Taiwan         | 3,400    |

‡ 1995–96 exchange rate.  
Source: Authors’ fieldwork.

**Table 6. Typical composition of agency recruitment fee for work in Taiwan, 1996.**  

| **US$‡**   |
|-----------------|----------|
| Commission for introduction to sub-agent (by headman, return migrant, etc.) | 40        |
| Commission to sub-agent | 200     |
| Charge by Taiwan agency | 1,560   |
| Commission of main Thai agency | 1,000   |
| Return air-fare | 600      |

‡ 1995–96 exchange rate.  
Source: Authors’ fieldwork.  
Note: Additional non-agency costs for workers include passport ($42) and health-check (up to $60).
The key feature of the fee for Taiwan is the high charge levied by the Taiwanese agencies, some of which is returned to employers as commission (Lee 1996). This essentially reflects excess demand in the labour supplying countries (and competition between them) for labour positions in Taiwan, so that there is in effect a 'sale' of such positions.

Payment of agency fees requires a substantial investment by workers (the fee for Taiwan, for example, is equivalent to almost two years' pay for an unskilled worker in Thailand). Estimates by the key contacts indicate that while the proportion of the fee provided by the worker and relatives has remained broadly the same in the last ten years (15%-20%), the proportion provided by local money lenders has dropped from 70% to 15% and that by banks has risen from less than 10% to some 65%. This change reflects the way in which banks have vigorously pursued migrant business by establishing branches in rural areas and undercutting the very high interest rates traditionally charged by local money lenders. The recruitment fee has become a crucial financial consideration for workers as the rewards of foreign work (income minus fee) have generally fallen, reflecting fewer opportunities for lucrative work in the Middle East and growing 'price' competition with other regional labour suppliers for work in Eastern Asia. It is invariably the sub-agent who organises the bank loan and ensures that the worker can deliver appropriate collateral, usually in the form of land deeds; an additional commission is then paid to the agent by the bank. A recent development, reflecting better educated workers, government-provided information on recruitment practices and pitfalls, and the growing migration experience in the community. In addition, most villagers now have access to local agents, rather than having to rely, as in the past, on visits from agents based elsewhere, often in Bangkok, who could not easily be traced or pressurised in the event of fraud. But fraud still persists, as illustrated by this press report (Bangkok Post 2 July 1996): 'An adviser to Deputy Labour and Social Welfare Minister . . . was yesterday accused of swindling 60,000–140,000 baht ($2,400–$5,600) each from more than 50 job seekers two years ago . . . They paid money in the middle of 1994 but are still waiting for the jobs. Mr Vichien, adviser to the then labour minister . . . and his lawyer conducted a job seminar in Chiang Rai where they told the audience . . . the company was chosen by the Japanese Government to supply workers for construction projects. They also paid 10,000 baht ($400) each to attend a one-month training course in Bangkok to prepare them for life in Japan . . . When they completed training they were told to wait a month before they could be assigned to their task, but to this day they are still waiting . . . they asked Mr Vichien to return their money but Mr Vichien steadfastly refused.'

Two of the recently returned migrants that we interviewed had been defrauded by agents. One migrant to Singapore discovered only on
arrival that his job there was an illegal one. He returned to Thailand within three days and successfully reclaimed his fee. In the other case, a fee was paid to an agent to secure travel to Malaysia and 30 days (initially) guaranteed construction work. The worker had always known that the travel and employment arrangements being made for him were illegal, but he was unprepared for the irregular nature of the work, the primitive living conditions (in a container), rates of pay that were barely higher than those in Thailand, and constantly having to hide in the forest from police patrols of the work site. He described his return to Thailand after six weeks of ‘misery’ as an ‘escape’, requiring heavy expenditure on taxi fares because of his unfamiliarity with Malaysia. He was unable to recover any of his fee and has now mortgaged his family’s land to raise the more substantial fee needed to access longer-term, regular, legal work in Taiwan.

Migrant-trafficking syndicates - Many recruitment agencies and sub-agents are known to engage in a range of ‘lower order’ illegal activities, like falsifying documents to meet employers’ age criteria and changing the names of workers on documents to enable them to circumvent restrictions imposed by countries like Taiwan on repeat contracts. A higher level of criminality is practised by syndicates that traffic in the most vulnerable types of migrant workers, attempting to capture the great bulk of their surplus value.

There is a long-established history of smuggling commodities like logs, gems and drugs across porous borders in the Golden Triangle area where Thailand, Burma, Laos and the Yunnan province of China meet, and the organisational networks involved have now graduated to people smuggling. Three forms of such trafficking in this area are:

- movement from Burma to Thailand of large numbers of construction workers, agricultural labourers and sex workers (Asia Watch 1993);
- a ‘snakehead’ route for Chinese migrants through the Golden Triangle and Bangkok to Eastern Europe and Central America en route to Western Europe and North America;
- mobilising members of the hill tribes in Northern Thailand for work abroad, despite lack of registration at birth (Aguettant 1996) rendering them ‘stateless’ and therefore ineligible for valid passports and visas.

The most notorious form of people smuggling from Thailand, especially the Northern region, is of sex workers to Japan – part of a global movement that has become the focus of major international concern and policy intervention (Asia Watch 1993; International Organisation for Migration 1995; Singhanetra-Renard 1995; Lim & Oishi 1996; Herdt 1997; Salt & Stein 1997). The recruitment and work experiences of three of the return migrants we interviewed bear out the generalised accounts of this form of exploitative Thai migration to Japan provided by Singhanetra-Renard (1995), Miki (1995) and Okunishi (1996).

The three young women, from rice farming families in Northern Thailand, were persuaded to go to Japan by recently returned ‘successful’ friends who introduced them to an agency in Bangkok. Two of them were well aware that their work was to be prostitution, the other being told it was merely work in a snack bar. There was obviously some form of screening, especially for physical appearance, at the agency, since several women attending at the same time for interview were rejected. No recruitment fee was charged (an important consideration for women from poor backgrounds), and the transfer costs ($30,000) were to be repaid from the very high earnings promised in Japan. In one case a false passport was obtained, since the agency felt it would be difficult to get a passport and tourist visa for a young, uneducated village girl. In this case, a genuine passport was obtained by the agency of someone of comparable age and looks but with a background (as a student nurse) respectable enough to justify foreign travel. In all cases the women entered Japan as tourists, and were accompanied on their flight by a member of the agency who guided them to particular officials (presumably bribed) at exit and entry points. One of the journeys was via Singapore, currently a common strategy since Singapore is now the only Asian country with which Japan retains visa-exemption arrangements (until 1995 this concession and
therefore routing arrangement also applied to Malaysia).

In Japan, the three women worked in bars with other Thai and Filipino women, invariably under the control of a Thai ‘mamasan’ married to a Japanese man reputed to be a member of the Yakuza criminal fraternity. The debt bond had now been raised to $40,000, the passports and return tickets retained or even confiscated, and the women constantly moved from bar to bar and town to town, all clearly designed to disorientate and isolate the women. Police often had a tolerant attitude (through bribery?) towards their illegal status, although eventually one of the women was deported. All three had managed to pay off their debt within a year, and returned home after about two years in Japan with savings of $15,000–$20,000. While they acknowledged that their cases were not necessarily typical, they all regarded their experience as ‘successful’.

THE FUTURE

If labour migration is seen as a commodity transaction, then clearly it is subject to market supply and demand factors. The demand for Thai contract labour is controlled not simply by the labour deficits in Japan and the Asian NICs, but also by competition from other labour supplying countries. While there has been some stability during the 1990s in the segmented market shares achieved by the three main suppliers – Philippines, Indonesia and Thailand – it seems likely that there will be increasing competition in the region from lower-wage countries, often with very large populations, notably China, Vietnam, Bangladesh, Cambodia and even North Korea. Their political and economic structures are becoming more open, and therefore more tolerant – even conducive – to labour outflows. This competition for access to a buyer’s market will restrain wages for contract labour, as well as allowing recruitment gatekeepers at destination to continue to call the shots and maintain, or even increase, their high placement fees. The scenario for Thai workers, therefore, is for a continuing reduction in the rewards of foreign work (income minus fee) and little, if any, improvement in the human rights of migrant workers.

At the same time, employment opportunities and wage levels rose significantly in Thailand in the 1985–95 decade of rapid economic growth. Accordingly, labour migration overseas is no longer promoted in the current National Development Plan (1996–2001), and the number of workers going abroad in 1996 dipped for the first time in several years. In our interviews with village key contacts, the question ‘what do you think are the likely developments in your village in the future for international migration?’ elicited unprompted responses by 44 of the 63 that there would be fewer workers going abroad. Most explained this in terms of higher fees charged by agents and the higher wages available in Thailand, especially Bangkok. These conditions, in turn, might suggest a market-led reduction in agency fees, to keep overseas migration as an inviting option for Thai workers and thereby maintain the position of brokers and agents. This, however, ignores the effective control that agencies at destination have over the fees. A further complication has been the serious financial crisis in Thailand in 1997–98, which has abruptly brought to an end the sustained period of economic growth. As a direct consequence, the Thai Labour Minister announced renewed efforts in September 1997 to persuade Taiwan and Japan to take more Thai migrant workers.

Thus, while the aggregate demand for labour migration overseas is likely to fluctuate in relation to economic conditions in Thailand, the organisation of the outflow is likely to be unchanged. Agencies and allied forms of recruitment are now deeply entrenched and institutionalised; no settled bridgehead populations have been established at destination to act as organising hosts; and Japan and the NICs continue to maintain immigration restrictions of such severity that intermediary agencies are necessary for effective access. Against this background of a fluctuating aggregate flow, but one still controlled by recruitment organisations, it is likely that there will be a selective concentration on ‘niche’ markets, like those created and maintained by varying combinations of government, private agency and syndicate for Thai workers accessing manufacturing in Taiwan, construction in Brunei, agricultural work in Israel and sex work in Japan.

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