

## **Globalization and Migration: Causes and Consequences**

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“Globalization of the markets” is an economic process which accelerates interaction and integration of all countries’ production and markets, through the increasing volumes of international trade, investment and capital flows. Underpinning this process is the ideology of “free market capitalism” or neoliberalism—that the free play of market forces unconstrained by state intervention is the route to efficiency, prosperity, the reduction of poverty and the greatest good for the greatest number.

This same ideology is the one that drives the aspiration of the ASEAN states to become a “single market and single production base” by 2015.

Globalization has been shown to have increased economic disparity both within countries and among countries. The fact was acknowledged by the UN as early as at the UNCTAD 2000 meeting in Bangkok. It has also been acknowledged that this increasing disparity is the main cause of the doubling of the number of migrants worldwide within the past 3 decades.

Most recently (25 August), the ASEAN leaders have likewise confirmed that there are widening income gaps between the region’s rich and poor nations, as well as between urban and rural areas within member countries. What they neglected to mention is that migration is likely to increase as a result.

Globalization has increased trade and investment flows through market liberalization and integration. But this liberalization does not apply to the labour market. Goods and capital have shed nationality as a result of the integration of markets but workers remain shackled to their nationality.

The ASEAN Economic Community, while aiming towards the free flow of goods, services, investment, and capital across borders, only commits itself to free flow of “skilled labour” where the priority is allotted to “professionals and skilled labour who are engaged in cross-border trade and investment related activities”.

Globalization also treats workers as a commodity where one’s work is what is bought and sold. This may be through voluntary contracts between buyers and sellers (the regular labour market), or by some form of coercion (trafficking). When the labour is declared ‘illegal’, as in the case of smuggling and trafficking, the victims become illegal commodities, like drugs or smuggled weapons.

Once labour is seen as a commodity, its cost becomes something to be determined by the relationship between supply and demand. Neoliberal theory sees hard-won workers’ rights, mostly achieved through trade unions’ collective bargaining, as obstacles to the free application of the invisible hand of the market place and is attempting to remove these through doctrines such as ‘labour flexibility’.

On the demand side, neoliberal economists, supported by business entrepreneurs, have argued that borders should be opened to migrant workers. This would be one way to satisfy the need to maintain the competitiveness of domestic industries by accessing a constant supply of cheaper labour in order to keep production costs as low as possible. In the case of agriculture and certain 'hands-on' services that cannot be performed offshore, migrant labour and/or trafficking is a way to reduce labour costs. An influx of additional labour through migration and/or trafficking increases the supply and therefore, in the absence of any effective enforcement of minimum wages and working conditions, reduces the cost of labour, aka workers' income.

The alternative is to move production to low wage countries, as is normally done in manufacturing because of restrictions on the movement of labour. The country that exports its production bases is thereby reducing the demand for labour at home. Since the supply of labour stays constant, free market economics will again dictate a reduction in labour costs and the degradation of pay and conditions. Either way, there is a dismantling of workers' rights (of all workers, both domestic and foreign) so as to allow greater exploitation, therefore lower labour costs, therefore higher profits. As long as labour is seen as a factor of production whose cost must be minimized, the demand for ever cheaper labour, however satisfied, will never end.

The main push factor for migration is no doubt poverty, with 1.4 billion people in the world living on less than \$1.25 a day in 2008 according to the World Bank. Within the Mekong region alone (excluding China), there could easily be well more than 30 million people (13.4 in Thailand, Laos, Cambodia and Vietnam; how many in Burma?) who fall into this category. This represents a huge reserve pool of mostly unskilled labour available for exploitation, trafficking and migration.

The greater accessibility, speed and penetration of international communications that accompany globalization has allowed more disadvantaged people to become aware of the fact and degree of their disadvantage and thereby raised their expectations.

The demand-supply or pull-push factors create a spectrum of regular migration, irregular migration and trafficking on a parameter of different degrees of ease of movement related to freedom of informed choice and level of exploitation. The line is very fine between trafficking through deception, i.e. the supply of false information, and migration, where brokers routinely fail to provide pertinent true information.

While many organizations dealing with the exploitation of migrant workers readily note that the 'root causes' of migration and the neglect of migrant workers rights lie in economics, they rarely propose preventive actions that are primarily economic in nature.

The solutions to the root causes of migrant labour exploitation require radical changes to global economic structures and thinking, especially with respect to work. Karl Polanyi, for example, defines a commodity as something that is created in order to be bought and sold. By this definition, labour should not be a commodity. Buddhism, in line with the teachings of other major religions, sees work not as a commodity but as a means of supplying basic necessities, expressing solidarity/*kalayanamit* and self-fulfilment.

In the meantime, a proposal to ASEAN launched this year by workers, trade unions and civil society in SE Asia calls for 'national treatment' in terms of wages and conditions of

work for all migrant workers and effective regulation of labour recruitment agencies. If this leads to a 'levelling up', then this will be a welcome and valuable initiative.

But it should be recognized that this proposal goes against the grain of neoliberal economic doctrines of labour flexibility and the primacy of capital and will be resisted by those who benefit from these doctrines. This group normally has direct or indirect control over political and administrative power. The danger therefore is that this initiative, unless it incorporates other important rights such as the right to collective bargaining, will instead lead to a levelling down, gradually reducing the pay and conditions of all workers to the levels now faced by migrant or trafficked labour.