

HUMAN CAPITAL, MIGRATION & BRAIN DRAIN IN SOUTHEAST ASIA: MYTHS & REALITIES

Kee- Cheok Cheong
Faculty of Economics & Administration, University of Malaya

THEMES

- Introduction: migration in Southeast Asia
- The ASEAN Economic Community & migration challenge
- Higher income driving migration?
- Attracting return migrants
- The importance of context

INTRODUCTION: MIGRATION IN SE ASIA



- History:
 - Hindu Kingdoms, Muslim traders
 - Chinese migrants to the "Nanyang"
 - Indians as contract labor
- Modern Times:
 - War: Vietnam, Cambodia
 - Policy: Indonesia's migrant policies, Malaysia's cheap labor model
 - Economics: Indonesia, Philippines, Vietnam labor exports

ECONOMIC INTEGRATION & BRAIN DRAIN

- Context: The arrival of the ASEAN Economic Community in 2015
- It produced high hopes of gains from “(a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy.”
- But it also caused alarm of brain drain from less to more developed member countries, e.g. the “hollowing out” effect in Thailand (Stiglitz) & concern in Vietnam.
- Why? Mutual Recognition Agreements (MRs) for ASEAN members.



ECONOMIC INTEGRATION & BRAIN DRAIN – THE REALITY

Not so fast!!!

- The AEC's Mutual Recognition Agreements may simplify red tape. But migrants still face
- Language capability, especially English
- National regulatory procedures, including licensing
- Competition for jobs, including among migrants



INCOME AS A MIGRATION DRIVER – THE ASEAN REALITY

Country	GDP per capita (current US\$)	Skilled Migration Rate (%) ¹	Share of Skilled to Total Migrants (%)	Share of Skilled in Total Workers
Cambodia	299	21.5		
Indonesia	790	2.9	34.6	5.2
Lao PDR	321	37.2		
Malaysia	4,004	10.5 ²	56.2	8.3
Myanmar	–	3.9		
Philippines	1,044	13.6 ²	66.2	12.0
Singapore	23,793	14.5 ²	53.7	24.4
Thailand	1,968	2.3		
Vietnam	433	27.0		

Skilled worker migration rates do not correlate well with the level of per capita income.

THE CASES OF SINGAPORE & CAMBODIA

HIGH-INCOME SINGAPORE



- Rise in no. of migrant arrivals since 1980s:
 - Skilled
 - Unskilled
 - Students
- But also a source of out-migration:
 - Temporary emigration encouraged by society, government

DEVELOPING CAMBODIA



- Income a motive, but ...
- A turbulent past – education base set up by Khmer kingdom collapsed, the Pol Pot regime caused many to flee, those already overseas to remain where they were.
- For skilled workers, small base at home meant high emigration rate

[Cheong, K.C. and Ghanty, S. (forthcoming). "Higher education, transnational education, and the evolution of the Cambodian education system". In C. Hill and R. Fernandez-Chung (eds.). *Higher Education in the Asian Century: The European Legacy and the Future of Transnational Education in the ASEAN Region*. London: Routledge]

PREOCCUPATION WITH ATTRACTING RETURN MIGRATION

- Building human capital options:
 - Education – but takes time, and can be lost through brain drain
 - Attract talent:
 - From overseas nationals – already skilled, but lack local knowledge
 - From returning nationals. – skilled plus understand local conditions
- Two questions:
 - How successful are return migrant programs in SE Asia?
 - Is it really the least-cost approach?

ATTRACTING RETURN MIGRANTS

HOW EFFECTIVE ARE SUCH PROGRAMS?

- Success where country becoming more prosperous.
- Raises question whether prosperity & opportunities or government incentives the major driver
- But a role remains for government
- Cases of:
 - Korea, Taiwan,
 - and now mainland China

IS THIS THE ONLY OPTION?

- No. Some countries have large international student populations
- They chose their study location, are somewhat familiar with local conditions
- Government's role to capture these
- Cases of:
 - Singapore – increase stay rate
 - Malaysia – policy schizophrenia











THE IMPORTANCE OF CONTEXT

- Migration studies focus on pull and push factors for migration, brain drain.
- These factors are both structural and contextual, but differences seldom highlighted
 - Structural: factors directly linked to migration decision, e.g. government policies, income differentials, living conditions, education facilities
 - Contextual: factors not directly linked to migration decision, e.g. war and natural disasters (China, Cambodia, Vietnam), geography. e.g. proximity to the sea
- Why is differentiating between them important?
 - Understanding contextual factors important in its own right, e.g., for policy-makers
 - Comparisons of migration propensity should be net of contextual factors

CONTEXT – MALAYSIA AS A CASE STUDY

THE MALAYSIAN DIASPORA AND BRAIN DRAIN (2000 AND 2010 ESTIMATES)

Size of diaspora (age 0+) and brain drain (age 25+), by country of destination and over time, numbers

		Diaspora (0+)		Brain drain (25+)	
		2000	2010	2000	2010
	Singapore	303,828	385,979	66,452	121,662
	Australia	78,858	101,522	28,620	51,556
	United States	51,510	61,160	24,085	34,045
	United Kingdom	49,886	65,498	12,898	16,609
	Canada	20,420	24,063	12,170	12,807
	Brunei	60,401	76,567	6,438	10,208
	New Zealand	11,460	15,995	4,221	6,708
	India	14,685	18,179	1,509	4,503
	China	7,278	9,226	2,655	3,496
	Taiwan	6,635	8,411	2,916	3,235

Source: Docquier, Marfouk, Ozden and Parsons (2010), Docquier, Lohest and Marfouk (2007), and World Bank staff calculations and simulations

- Malaysia's brain drain:
 - 1 million out of 28 million population
 - Skill- & ethnicity-selective
 - 50% in Singapore
- Contextual factors:
 - Geographic proximity of Singapore
 - Long history of overseas education
 - Internationalization of private tertiary education
 - Government affirmative action policies

SUMMARIZING

- Because of its complex history, SE Asia has a rich and colorful migratory history.
- Today, while new issues and challenges have emerged, it remains a laboratory for analyzing human capital mobility.
- This analysis shows that conventional wisdom does not really work for SE Asia.
- There is also considerable variation between SE Asian countries.
- The difference in context is the main culprit for this lack of comparability.
- Hence, considerable research remains to be undertaken.

SOME THOUGHTS ON RESEARCH

TOPICS COVERED	RESEARCH POSSIBILITIES
The AEC and brain drain	1. Difference between migration motivation and potential. 2. Is unskilled labor not human capital?
Not by income alone	
Focus on return migrants	How does ICT affect willingness to adopt host country identity, propensity to return?
The importance of context	Singapore case and migrant identity

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