

## Transnational Labor in the Greater Mekong Sub-region: Vietnamese Migrant Workers in Thailand and the Lao PDR

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### Abstract

*This research aimed to offer a comparative analysis of push and pull factors contributing to the Vietnamese workers' arrival in Thailand and Laos. Also comparatively examined were their employment channels, social adaptation processes, and lifestyles. The research was based on in-depth interviews with 50 Vietnamese workers in each country. It was found that key factors encouraging Vietnamese workers to enter Thailand and the Lao PDR include the economy, population growth, and family issues. Both Laos and Thailand offer an economic incentive for these workers. The difference between Thailand and Laos lies in that employers in Thailand offer these workers food, shelter, and monthly travel expenses. In Laos, a positive state-to-state relationship between Laos and Vietnam helps Vietnamese workers to live with a sense of security. Laos and Thailand depend on social network of workers to recruit and help new-coming workers to adjust to life in the new country.*

**Keywords:** Vietnamese Migrant Workers; Thailand; Laos

### Introduction

Transnational labor is a product of globalistic capitalism. It signifies a movement of workers across state boundaries. These workers interact with the society and culture of the ambient country through employment. Currently several countries in the Mekong sub-region are in great and ever-growing demand for workers in different industries including manufacturing, agriculture, fishery, construction, to name a few. The economic and commercial development for exporting purposes caused an increase in the demand for unskilled laborers. Coupled with this, some workers in the Thai labor force have received training and finally developed their skills in specific trades. This has led to a decrease in the number of unskilled domestic workers. In addition, local workers are not interested in jobs marked with a high risk, intense labor, potentially unsanitary activity, lacks of job security, low pay, few benefits or dangerous work environment (Jantawanich and Risser, 1996). These issues resulted in the shortage of low level workers and gave way to the rise of employment of foreign or transnational workers who are willing to enter the unskilled labor market. These transnational workers tend to be hard-working and not choosy about jobs. Their asking wages are relatively lower than those asked by local workers. Businesses prefer to hire transnational workers because doing so saves production costs and in turn increases profit. Therefore, there has been an influx of incoming transnational workers through both legal and illegal channels (Asian Migrant Centre, 2005).

Thailand and Lao PDR have a triple status: a departure country where workers are exported; a layover city where workers wait for a transfer to another country; and finally a destination country for migrant workers. In Thailand, Vietnamese emigrated and settled throughout the land between the Ayutthaya period before the reign of King Narai and the reign of King Rama VI of the Rattanakosin period. The two main reasons for this were: 1) that they were forced into the country as prisoners of war, and 2) that they voluntarily came to escape religious or political persecutions (Jantawimol, 1998; Rattanaworameteekoon, 2007). In 1992, the Thai government implemented a policy granting work permit to then illegal workers from neighboring countries, namely, Burma, Laos, and Cambodia. Since 2004, international workers have been required by law to report to the Ministry of Interior and to obtain a work permit at the Ministry of Labor (Kerdmongkol, 2007). However, this requirement does not always track undocumented workers who spread from the Northeast to other regions.

In Ubon Ratchathani, original groups of Vietnamese immigrants who entered the country during the Vietnam War settled in Piboonmangsan district and later spread out to the city of Ubon Ratchathani along roads including Sri Narong, Palochai, Jonghkolnithan, and Nikomsaiklang (or Tha Wanghin community). They later received an international identification card which allowed them to live legally in Thailand (Rattanaworameteekoon, 2007). Successive generations have become Thai citizens and become owners of prominent businesses in the province. Their businesses have grown extensively and thus are in need of labor work. This has caused workers from Vietnam to pour into the province. Part of the reason is that these workers work very hard and receive relatively less pay than do Thai workers. The mutual nationalistic sympathy shared by the employers and workers encourages the employers to opt to hire these workers. The workers generally enter the country with a tourist visa which allows them to stay up to one month. During this stay, they illegally work without a work permit. Therefore, at the end of every monthly cycle, they need to leave the country through the Ubon Ratchathani-Lao border and make a reentry.

The Lao PDR is currently faced with shortage of laborers especially those skilled and semi-skilled ones. Importing skilled laborers, construction laborers, in particular, from Vietnam is one solution to the problem. In 1999, a jointly run Lao-Vietnam organization reported that there were approximately 15000 Vietnamese workers, both legal and illegal, in Laos. Of these, only 6500 workers were contracted to work in projects funded by the Lao government and provinces while the remaining were independent legal and illegal workers (National Statistical Centre, the and the National Economic Research Institute , 2005). The number of Vietnamese migrants is so great that officials can hardly keep track of movements in the border and cities. Border sharing allows for easy illegal crossing. Furthermore, convenient international travelling and a visa waiver provide passport-carrying citizens of most Mekong sub-region countries travel and stay up to 30 days in another country in the region with ease and comfort. Without efficient measures to control or monitor tourist-turned workers, transnational workers can use a legal loophole and negligent law enforcement to work illegally.

### **Background Information on Vietnamese Workers**

The participants in this study were two groups of 50 Vietnamese workers: one in the City of Ubon Ratchathani, Ubon Ratchathani Province and the other in the City of Kaysone Phomvihane in Savannakhet Province, the Lao PDR. The total number of the participants was 100. The data were collected by means of in-depth interviews. The Vietnamese workers normally came to the Lao PDR for work through 4 channels as follows.

1. Employment through a state-run workforce agency responsible for exporting laborers,
2. Contract employment through contractual agreement between respective Vietnamese companies and Lao PDR government agencies,
3. Brokered employment through Lao agents of Vietnamese origin or former Vietnamese workers in Laos, who work as a supplier of workers for businesses in Laos,
4. Employment through a referral by friends or relatives who used to work in the country.

Vietnamese workers in Thailand accessed the country through two channels only. The first channel involved Thai citizens of Vietnamese origin or former Vietnamese laborers who brokered the employment deal between the workers and their respective hirers in vending or other forms of businesses. This channel was found in the early period of Vietnamese employment in Thailand. The second channel was found to be in the subsequent period of time in which workers came through a referral *in gratis* by friends or relatives who used to work in Thailand.

Half of Vietnamese workers in Savannakhet were in the 20-29 age range while forty-two percent in Ubon Ratchathani were in the 30-39 age range. Forty-six percent of workers in Savannakhet were married, and two-thirds of these workers and their spouses worked together. Over half of these married workers had children who lived with them and went to a Vietnamese school in Savannakhet or local Lao schools. In Ubon Ratchathani, sixty-eight percent of Vietnamese workers were married. One-third of these came to work so as to be with their spouses. Only one-third of married workers brought their children to live with them in Ubon Ratchathani, all of whom finished primary or secondary school and did not pursue further education. They thus lived and worked with their parents.

At the time of the study, about half of the workers in Savannakhet and Ubon Ratchathani had been working in the city for 1-3 years. Eighty-two percent of the Savannakhet workers were originally farmers at home. Likewise, seventy-eight percent of workers in Ubon Ratchathani were former farmers as well.

Ninety-six percent of the workers started working for the first time in Savannakhet. This pattern also held true for 94 percent of the workers in Ubon Ratchathani. Only a small number of the workers had prior working experience in Vientiane before Savannakhet or Laos before Ubon Ratchathani.

The workers in Laos were not just residents of Vietnamese provinces near Savannakhet. Rather, they came from many provinces in the central, northern, and southern regions. Sixty percent of these workers came from coastal provinces in the central part of the country, followed by provinces in the Red river basin of the North and the central plateau. Ninety-six percent of the workers in Ubon Ratchathani came from coastal provinces in the central part. The minority of them came from provinces in the Mekong basin.

Fifty-eight percent of workers in Savannakhet worked independently. They were beauticians, manicurists, vendors, and contractors. Forty-two percent were hired workers such as construction workers, general laborers, seamstresses, and furniture craftsmen. Most of these workers typically shared a rental house that hosted about 3 to 20 individuals. These housemates divided chores among themselves: grocery shopping, cooking, dishwashing, and house cleaning. In Ubon Ratchathani, all workers were hired. None of them were independent workers. These hired workers fell into two categories: full-time and part-time workers. Full-time workers were employed on a monthly basis by a single employer. Most of them did not have much working experience. Their employers provided or paid for housing (be it a house, a rental town-house styled room, or a dormitory) and sometimes paid for water and electricity. Employers also commonly provided lunch and an extra meal should there be extra hours such as when a high production volume requires overtime hours. In this case, their employers provided meals. The other group was part-time workers who worked during a specific span of hours. For example, a worker may work from midnight until early in the morning with an employer, then work during the day shift with another, and the evening shift with yet another employer. These workers tended to be experienced workers who had been working over 5 years. These experienced workers usually rented their own place to live with their family. The number of those who shared a house was low (about 3-6 individuals).

### **Push and pull factors contributing to workers' decisions to work in Thailand and Laos**

**1. Push factors.** Among the push factors contributing to the workers' move to Savannakhet, the economic factor was relatively important. Labor wages and income in Vietnam were relatively lower than those in Laos. As of 2011, the monthly minimum wage in Vietnam was \$35 a month or about \$1 per day (Thanh Nien News, 2011) while the minimum wage in Laos was approximately \$2.5 per day (2.5 times the amount in Vietnam). This observation also held true in Ubon Ratchathani where Vietnamese workers earned about \$30-35 per month or \$3-5 per day, 3-5 times the amount they would have made back in Vietnam.

In addition to this, the workers in both Laos and Thailand agreed that the population size in Vietnam was big. There were about 86 million people who tended to cluster in fertile regions. This resulted in a high job competition. The majority of these workers finished elementary school who could not find a job with sufficient income to support their families. They, therefore, decided to come to Laos and Thailand in search of a job.

Family factors included one involving the ability to live together as a family in Laos and Thailand. Married workers in this study moved with their spouses to work and live in the target countries, and sometimes their children came along. The difference lies in that the workers in Laos brought their children in for school while those in Thailand tended to bring their out of school children to work as well.

**2. Pull factors.** The workers in Laos and Thailand stated that economic factors pulled them into the labor market in Thailand and Laos. This was because the wages or income in these countries were higher than those in Vietnam as mention earlier. In Laos the workers were engaged in different professions with an average monthly income of approximately \$191 whereas those in Ubon Ratchathani had a higher average income of \$170-233.

Typically the workers visited home in Vietnam once a year. Each time they took home about \$268. Most workers in Ubon Ratchathani visit home once during Vietnamese New Year and took home \$1000-1666, an amount much higher than the one those in Laos took. In terms of monthly expenses, the workers in Laos spent about \$86 but those in Ubon Ratchathani spent less with \$33-66 per month.

Approximately half of the workers in Laos had to pay an unidentified amount of taxes to authorities. Some of the interviews said that the amount was a \$3-5 monthly tax. The workers in Thailand were not found to have paid any taxes to authorities.

For the most part, extra expenses would be handled by the employers in order help the workers to stay and work. Some employers sponsored the workers' trip (due every 30 days) to Laos and back through immigration at the border crossing. Most of the employers who did this stated that it was a benefit and incentive for their workers. In addition to this, that the employers offered accommodation, food, and expenses concerning their monthly border crossing helped to encourage more workers to come to work in Thailand.

Another important pull factor has to do with the state-to-state relationship between Laos and Vietnam which drew Vietnamese workers to come to work in Laos because they felt confident about security, well-being, and lenient treatment by authorities. As a result, over half of interviewed Vietnamese workers there hoped to eventually obtain the Lao citizenship. Their reasons involved peaceful life and work, high income, solid, positive state-to-state relationship, and a lot of potential for prosperity. In contrast, the workers in Thailand were apprehensive for fear of being arrested especially those who did not live in a place provided by the employers. These workers did not want to become Thai citizens because of the complicated process. It should be noted that a large number of Vietnamese residents of over 10 years still have not obtained Thai citizenship.

### **Comparison of Vietnamese Workers' Entry into a Transnational Labor Force in Thailand and the Lao PDR**

Most interviewed informants become involved in transnational labor force in these two countries as a result of their relatives and friends' suggestions. Only a few of them in Thailand who were recruited by labor brokers who charged a fee. However, this only happened about 7-10 years back. In recent years, workers do not rely on brokers. Rather, they depend on family and friends. Some workers in Laos were trained in skills necessary for work. These include beauticians, furniture craftsmen, seamstresses, and some manicurists who were trained either in Vietnam or after they arrived in Laos, by family and friends. All Vietnamese workers in Thailand were not skilled workers, and so they later developed skills from their work. As they became accustomed to their duties, their skills improved. As a result, they received a higher pay.

Expenses for the cross-border trip to Savannakhet and Ubon Ratchathani usually came from family savings as well as remittances from relatives, parents or spouses who worked abroad. Most of the money covered transportation and food for the first few months. However, independent workers in Laos had to deal with an extra expense, that is, the money to invest in their respective business such as vending or nail care which requires tools and equipment.

All workers in Laos and the majority of those in Thailand entered the country by bus through the Lao Bao checkpoint along the Highway Number 9, heading towards Savannakhet. Those working in Thailand came from Mukdaharn by bus heading towards Ubon Ratchathani. As the Vietnamese New Year approached, those in Laos would share a chartered vehicle to visit home in Vietnam. Usually on their return trip, there would be new workers riding back with them.

Workers in Laos and Thailand usually came from the same village. They came together to work and live at the same place. Many of these people had the same employer. Their employment pattern is therefore the same and easily traceable from the original village to the destination. They relied on news and support from family and friends already working aboard as well as the patron/patroness relationship. Social networks are a crucial basis for their decision-making process as far as employment-based moving, destination country, and other decisions, eliminating uncertainties by helping in a job-seeking process, accommodation, and moral support in the target country.

### **Workers' Self-adjustment and Way of Life in Ubon Ratchathani and Savannakhet**

Most of workers in this study carried a valid passport and entered the country legally as a tourist. At the end of their authorized 30-day stay, they went through the immigration process and reentered the country to Savannakhet or Ubon Ratchathani. Only a minority of workers in Laos had a valid work permit; most of them did not. However, they came to work because of their friends or relatives who were already working or at least used to work in Laos through a social network as a platform for their move, employment-related news, job opportunities, and benefits. Contrary to this, all interviewed workers in Thailand were illegal as far as employment status is concerned. Their self-adjustment in the beginning relied heavily on the support from fellow experienced workers and employers.

Workers in Savannakhet preferred to rent a house and shared it with their fellow villagers. Maybe up to 20 individuals lived in the same house. As for new workers who had not received their pay, they would be exempt from paying the first month rent. Once they received their pay, they started contributing their share of the rent. As they became more experienced and earned more, married ones tended to move out and lived as a family. Another option was to rent a place to start a business. Workers in Ubon Ratchathani typically stayed at a place provided by their employers, either within the employer's housing compound or outside. They did not have to pay the rent but had to pay for utilities. As they earned more, married couples usually moved out.

Both workers in Laos and Thailand experienced communication problems when they first arrived because they could not speak Lao or Thai. Some workers in Laos learned some Lao from their fellow workers prior to coming to the country but none of the workers in this study reported having studied Thai before coming to Thailand. Illegal Vietnamese workers in Thailand are more motivated than their counterparts in Laos to study the Thai language for survival.

In terms of relationship with fellow workers and local Lao or Thai nationals, workers in Savannakhet establish their relationship through marriages between the workers and Lao citizens. This helped them to remain in Laos legally. None of the workers interviewed reported any marriage with a Thai citizen. Social interaction among workers in Laos and Thailand was similar. That is, they lived as a group of friends or relatives, respected seniority, offered in-group support to fellow Vietnamese people.

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