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LABOR MIGRATION MANAGEMENT: FACTORS OF NATIONAL EFFICIENCY AND REGIONAL COMPETITIVENESS (THE CASE OF PATTAYA-CITY, THAILAND)

The paper contains the research results on labor migration development in Pattaya (one of the most international cities in Asia) concerning the implementation of state migration policy from the standpoint of employers, both domestic and foreign migrants. The findings allowed determining the patterns of regional migration dynamics, its uniqueness in comparison with other Thailand provinces, and to offer the principal directions for modernization of the system and methods for regional labor migration management.

Keywords: international migration; migrant; labor productivity; migration policy; migration management; Thailand; Pattaya.

Денис С. Ушаков

ДЕРЖАВНЕ РЕГУЛЮВАННЯ ТРУДОВОЇ МІГРАЦІЇ: ЧИННИК НАЦІОНАЛЬНОЇ ЕФЕКТИВНОСТІ ТА РЕГІОНАЛЬНОЇ КОНКУРЕНТОСПРОМОЖНОСТІ (НА ПРИКЛАДІ М. ПАТТАЙЯ, ТАЇЛАНД)

У статті наведено результати дослідження факторів розвитку трудової міграції в м. Паттайя, що є одним з найбільш інтернаціональних міст Азії, а також проблем реалізації державної міграційної політики з позиції роботодавців, внутрішніх та зовнішніх мігрантів. Висновки дослідження дозволили визначити закономірності міграційної динаміки в регіоні, її унікальні, в порівнянні з іншими регіонами Таїланду, критерії та перспективи розвитку, запропонувати принципові особливості модернізації системи та методів адміністрування трудової міграції в регіоні.

Ключові слова: міжнародна міграція; мігранти; продуктивність праці; міграційна політика; державне регулювання міграції; Таїланд; Паттайя. **Табл. 4. Літ. 24.**

Ушаков С. Денис

ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ ТРУДОВОЙ МИГРАЦИИ: ФАКТОРЫ НАЦИОНАЛЬНОЙ ЭФФЕКТИВНОСТИ И РЕГИОНАЛЬНОЙ КОНКУРЕНТОСПОСОБНОСТИ (НА ПРИМЕРЕ Г. ПАТТАЙЯ, ТАИЛАНД)

В статье приведены результаты исследования факторов развития трудовой миграции в г. Паттайя — одном из самых интернациональных городов Азии, а также проблем реализации государственной миграционной политики с позиций работодателей, внутренних и иностранных мигрантов. Сделанные выводы позволили определить закономерности миграционной динамики в регионе, ее уникальные, по сравнению с другими регионами Таиланда, критерии и перспективы развития, предложить принципиальные особенности модернизации системы и методов администрирования трудовой миграциии в регионе.

Ключевые слова: международная миграция; мигранты; производительность труда; миграционная политика; государственное регулирование миграции; Таиланд; Паттайя.

Introduction. Prior to the early 1990s Thailand was the major labor force sending country, but currently, the situation is quite opposite. Thailand economic deve-

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lopment has stimulated international migration and transformed the country into a globally important migration hub.

Rapid economic development, Thailand's international integration, better living conditions in the country, as well as constant economic and social tensions in neighboring states in the early 21st century led to the rapid growth of labor immigration. Since 2009, the migration corridor Myanmar — Thailand is in the top ten world's largest migration corridors, and Thailand, have accumulated more than 4 mln legal immigrants. Unlike Europe, the US, Australia (also leaders in foreign migrant workers admission) Thailand has relatively high level of supported emigration. And the gap in skills, education between entering and leaving population in Thailand is huge, and this causes additional complex social and economic problems in the Kingdom.

In addition to traditional problems of the countries — migration destinations (illegal migration, labor market destabilization, labor immigrants effective regulation and accounting, foreigners' socialization etc.) the issues of immigration policy modernization, keeping highly qualified Thais who have completed higher education in the country, as well as repatriation of highly qualified compatriots are relevant for Thailand.

Also important problems are the compliance between migration policy and strategy of national development, for example, the growth of domestic consumption and quality of life formation of innovative background and development of Thai society innovative potential, security, not only in Thailand but also in adjacent states etc.

In this regard, the research issues on international labor migration in Thailand (as well as in Southeast Asia overall) are extremely relevant, concerning both economic and social performance.

The city of Pattaya, Chonburi province, now is one of the most international cities in the world, permanently or temporarily inhabited by hundreds of ethnic groups – tourists, students, investors and, of course, domestic and international migrants.

Due to the importance of labor migration in national wealth formation and regional socioeconomic stability improvement, and specificity of Thailand and Pattaya, the study of labor migration, as well as the effectiveness of its governance seems very relevant.

The research is based on the results of foreign and domestic labor force survey in Pattaya city, which are used to form some recommendations on Thai migration policy modernization in the context of deepening regionalization in the South East Asia.

The objectives of the study are as follows:

- to survey domestic and foreigner workers in tourism and hospitality, transport and construction areas in Pattaya testing the efficiency of Thai migration governance;
- to analyze Thai migration policy from the viewpoint of Thai and foreign companies, employing migrants;
- to consider motives and features of foreign and internal (Thai) migrants employment under the conditions of Pattaya community development;
- to make conclusions about prospects and requirements for modernizing of Thai national system of migration policy and control.

The main hypotheses of the study are:

H1. Situation with migration in Thailand sharply changed for the last 2–3 decades due to economic development of Thailand and deepening of Thailand integration into the world economy.

- H2. Economic and social progress of Thailand stimulates low-skilled labor inflows but do not really stop high skilled labor out-flow.
- H3. Features and patterns of labor migration in Pattaya development are not identical to Thailand (as a whole) migration statistics due to some specifics of the city's economic and social structure.
- H4. Local and foreign migrants employed in Pattaya have completely different qualifications, work experience and reasons for permanent employment.
- H5. That and foreign companies working in Pattaya for more than 1 year have different reasons to hire migrants (local or foreign). Joint ventures or foreign companies (or That companies with foreign management) are more inclined to hire foreign migrants, than That companies.
- H6. Evaluations of Thai migration management by local and foreign migrants are not similar. Further modernization of Thailand migration regulation has to take in account different costs (money, time, documentary) migrants can allow for own employment, socialization and legalization (in case of international migration).

Literature review. Contemporary scientific approaches to labour migration are mostly base on the studies of (Lewis, 1954: 139–191) on economic development under unlimited labor supply. According to this approach economic systems of today's states consist of two sectors — capitalist and non-capitalist. The first one is based on manufacturing, profitable activity and capital increase, and acts as a labor force employer. The second sector is initially saturated by manpower, but is not a highly profitable form of commercial activity. Growth of the capitalist sector in national economic system, logically leads to pumping of labor force from the non-capitalist spheres. Specificity of geographical concentration of capitalist and non-capitalist sectors determines directions and intensity of domestic or international migrant flows.

Later, the neoclassicists (Ranis and Fei, 1961; Cole and Sanders, 1985; Adelman and Taylor, 1991; Fix and Passel, 1994) have continued to analyze international (and domestic) labor migration, basing on ideals of the market and market equilibrium. Another approach (Todaro & Maruszko, 1978) considered market functioning problems (failures and imperfections of market mechanisms, such as unemployment), which are the main causes of international and internal migration flows formation and development.

Problems of migrants' selectivity, well represented in scientific literature, became the basis for formation of new approaches to labor migration basing on the theory of human capital (Becker, 1975; De Hass, 2009).

W.E. Cole and R. Sanders (2007: 481–493), T. Jacoby (2013) studied labor migration as social process developing within the frames of global transformations — urbanization, post-industrialization, labor markets' globalization. Mostly economic impact of international labor migration was surveyed by H.R. Adams (2009: 93–103), M. Rosenzweig and O. Stark (1989: 905–926).

Basics of migration policy as an instrument for governance, including factors, patterns and drivers of effective migration regulation were offered in (Kahanec and Zimmermann, 2011; Kozlova, 2015; Papademetriou and Sumption, 2011; Platonova and Urso, 2013).

Finally, this study is based on the statistical reports of international organizations (Economist Intelligence Unit, 2009; International Labor Organization, 2013;

International Organization for Migration, 2013) and labor markets reviews by (Estruch-Puertas and Zupi, 2009; Fields, 1975; Neugart and Schomann, 2002; Ruhs and Anderson, 2010; Skeldon, 2008).

Research methodology and main study focus. Using the methods for migration flows forecasting proposed by the author in 2014, we can estimate the probability of migration flow occurrence and development in the direction of Pattaya, from other regions of Thailand and from other ASEAN countries (Table 1).

author 5								
#	Countries (regions) of origin	Pattaya Average wage – 760 USD Living costs – 240 USD Multiplier PPP – 1.65						
		Average salary, USD	-	Migration cost	Total index			
1	North-East Thailand	517	1.65	22	1.96			
2	Northern Thailand	590	1.65	27	1.85			
3	Central Thailand	735	1.65	12	0.91			
4	Myanmar	210	1.95	160	1.79			
5	Cambodia	192	1.62	110	1.82			
6	Vietnam	255	1.45	175	1.57			

Table 1. Estimating of probability of migration flows to Pattaya (Thailand) – 1, author's

As can be seen from the evaluation results the likelihood of migration flows from the regions of Thailand (north-east) is generally coincides with the probability of international labor migration to Pattaya from Cambodia and Laos.

In the case of Thailand regions the main stimulator for migration are low migration costs and differences in income.

On the other hand, the difference in incomes in Pattaya and in neighboring countries of Indochina is much higher, while the costs of migration from Cambodia and Myanmar remain low.

Noteworthy, after correction of indices of the probability of migration flows formation by Pattaya migration attractiveness (Table 2), the likelihood of migration from Thailand regions reduced, while for foreign migrants it increased.

Consequently, even though Pattaya is a place to get larger income, it is not a really attractive migration destination for the Thais! The used methodology enable forecasting that together with maintaining of current socioeconomic trends in the Kingdom of Thailand and the national migration policy immutability the number of internal migrants to Pattaya will decline, while the number of foreign workers will grow.

To study the effectiveness of state migration management in Pattaya the survey was conducted according to the following plan:

- 1. Survey of employers (conducted 20–28 April 2015, 62 representatives of business in Pattaya-city and the surrounding neighborhoods, Table 3).
- 2. Survey of workers (Table 4) who arrived from other provinces of Thailand (conducted 11–29 May 2015, 96 Thai workers were interviewed) and other countries (conducted 11–29 May 2015, 114 foreigner workers).

Table 2. Estimating the probability of migration flows to Pattaya (Thailand) – 2, author's

#	Countries (regions) of origin	Pattaya					
		Probability of foreign migration (before considering countries' migration attractiveness)	Related migration attractiveness (the ratio between migrate attractiveness of Pattaya and migration attractiveness of the country/region of migrants origin)	Index of probability of foreign migration flows taking into account the migration attractiveness of the countries			
1	North-East Thailand	1.96	0.98	1.92			
2	Northern Thailand	1.85	0.95	1.75			
3	Central Thailand	0.91	0.79	0.71			
4	Myanmar	1.79	1.2	1.96			
5	Cambodia	1.82	1.19	2.17			
6	Vietnam	1.57	1.14	1.79			

Table 3. Organizational criteria of employers' survey, author's

1	Profiles, %	Printed – 71			E-form – 29		
		In other language In Thai (English, German		~ ~	In Thai		ther languages glish, German,
		– 90 Russian, Chinese, Korean) – 10		- 100	Russian, Chinese, Korean) – 50		
2	Questionnaire, Total sent	Printing – 190			E-form – 400		
3	Received correctly completed questionnaires	Printed – 44 (23%)			E-form – 18 (4.5%)		
4	Respondents, %	Small business – 49 Medium bu			siness – 42	iness – 42 Big business – 9	
		Companies – 48 Sole entrepre		eneurs – 48	s – 48 Multinationals – 4		
		Thai capital – Foreign capital – 33		Thai to management 72		Foreign top management – 28	
		-		es aged 1		mpanies older	
		year – 47 to 5 year		ars – 32		n 5 years – 21	
		Hospitality – Catering – 21		Transporta services -		Trading – 21	
		Construction – Domestic 15 services – 11		Entertaini – 5	nent	High-tech sector – 2	

The key findings:

1. The needs of Pattaya business exceed the capacity of the local labor market. Most of the surveyed businesses use permanent or seasonal employment of non-local workers. The need for foreigners was also noted by entrepreneurs, but it is significantly lower — almost half of the respondents believed that employment of foreign nationals in general is not a necessity in Pattaya.

This is due to the fact that the survey was covering service industries (rather than, for example, fishing or agriculture) where demand for foreign laborers is always higher. It is also interesting to note that foreign business is more liberal to foreign nation-

als' employment, as well as relatively young companies are — the representatives of small and medium-sized enterprises (due to the impact of their business model, based on the use of migrant labor and desire to cut off wages and social security).

Table 4. Personal data of the surveyed migrants, author's

1		son					
1	Questionnaires – printed and distributed in total	In Thai – 200		580			
	and distributed in total			In Burmese – 100		In Khmer – 100	
		In V	7 ietnamese – 40	In English – 100 In Russian – 40			
2	Questionnaires – Total			210			
	received back		In Thai – 96		mese – 42	In Khmer – 31	
		In Vietnamese – 8		In English – 14		In Russian – 19	
3	Respondents Nationality	Thais – 83		Burmese – 42		Cambodians – 49	
		Russian – 19		Europeans – 3		Americans – 2	
		Vie	tnamese – 8	Australians – 2		Other – 2	
4	Gender and marital	Thai		Women – 67		Singles – 61	
	status of respondents, %			Men – 33		Married – 39	
		Foreign		Women – 53		Singles – 52	
				Men -	47	Family – 48	
5	Education and work		Higher education	n – 13	Work experie	ence > 10 years – 2	
	experience of the	Thai	High school – 52	2	Work-experience 5–10 years – 2		
	respondents, %		Secondary school – 3		Work experience is < 5 years $- 52$		
			No education -			perience – 25	
			Higher education	n – 9 Work-experie		ence over 10 years –	
		ıer		8		-	
		: 1g1	High school – 14		Work-experience 5–10 years – 37		
		Foreigners	Secondary school	ol – 46	Work-experience is < 5 years $- 36$		
		I	No education – 3	31	No work experience - 19%		
6	Religion of the	Thai	Buddhists – 88		More than 5 years – 12		
	respondents and the		Muslims – 3		1–5 years – 67		
	length of their stay in	I	Christians – 9		Less than a year – 21		
Pattaya, %		g Buddhists – 91			More than 5 years – 19		
			Muslims – 3		1–5 years – 77		
		Foreigners	Christians – 6		Less than a year – 4		
7	Place of employment, %	Thai	Hotels – 14		Transport – 17		
			Restaurants – 16		Construction – 11		
			Trade – 21		Consumer services – 21		
		Foreigners	Hotels – 4		Transportation – 50		
			Restaurants – 3		Construction – 50		
			Trade – 9		Consumer services – 29		

2. Interviewed entrepreneurs mentioned that better organization of labor and higher labor productivity are the main advantages of non-local Thais (in comparison with local Pattaya population), while the use of foreign workers is an opportunity to pay less for higher labor organization. High labor organization of non-local Thais who work in Pattaya — the result of their need to be socialized in the community, the absence of family ties (and therefore additional reasons for labor discipline violation) in the city of temporary residence. It may be also noted that the higher labor organization of non-local Thais was noted by the representatives of small and medium-sized

businesses (traditionally these companies established a trusted relationship with employees).

- 3. On the other hand, representatives of business (especially catering and hospitality) recognized as the benefit of local population comparing with non-local Thais the responsibility and predictability (due to more close relationships with local community). For small business an important characteristic of local population is their knowledge of the local market, social interaction with local consumers.
- 4. Assessment of Pattaya business views shows the opinion of vast majority that there are a lot of migrants' workers from other Thai provinces in the city. With regard to foreign migrant workers the opinion is somewhat different the majority recognizes there are a lot of them, but this quantity is not critical.
- 5. In assessing the economic and social impacts of foreign and internal labor migration, the respondents were not unanimous. Thus, about half of them believed that internal labor migration has a positive impact on the city and the country as a whole, while 68% of respondents believe that foreign labor migration is more evil and leads to unbalance of Pattaya labor market. This assessment indirectly confirms Thai patriotism, desires to share the fate of the country and be responsible for socioeconomic development of all the regions of the Kingdom. On the other hand, the respondents see no reason to support social and economic development of the neighboring countries.
- 6. As preferred foreign migrants the respondents named qualified professionals from Japan and Europe, as well as potential foreign investors, this generally reflects the strategic orientation of migration policy of the Kingdom, but is not the indicator of real processes in Thai society.
- 7. Most respondents consider corruption, subjectiveness, non-transparency and discriminatory as the main problems in this context. A very high proportion of the respondents believe that migration policies of Thailand do not reflect the interests of Thai economy and local communities.
- 8. Attitude to foreign labor migration in Thailand remains generally positive or neutral, although most of the surveyed employers are sure that non-regulated labor migration entails the growth of crime in the country and imbalance at the local labor market.

Conclusion. This study allowed us formulate the following conclusions:

- 1. Most of the interviewed foreigners were representatives of the ASEAN countries and also significantly distinguished Russian-speaking migrants. Most non-local Thais were from the provinces of the north-east and north of the country. It is obvious that potential labor migrants from the center of Thailand choose as the destination of their employment Bangkok metropolis and Southerners prefer to go to work in neighboring Malaysia or Singapore.
- 2. Most non-local Thais working in Pattaya are unmarried women. The proportion of women in the structure of foreign migration in Pattaya is high (but slightly lower in comparison with Thai workers). In general, the situation of foreign migration in Pattaya does not correspond to national official statistics, according to which the majority of foreigners working in Thailand are men. However, it can be explained by the specifics of Pattaya as a place of work. Pattaya is a tourist center with lots of hotels and tourism firms, offering broad opportunities for women employment.

- 3. Non-local Thai workers in Pattaya have higher education level, but generally lower experience (Pattaya is interesting, first of all, for Thai university graduates who wish to gain work experience for future career). While in the environment of foreign workers inter-personal competition is very high (work in services for foreign migrants is more prestigious than, for example, in agriculture or construction) and, therefore, higher are the overall skills level of workers.
- 4. Foreign workers do not really effect the growth of religious and cultural diversity of Pattaya most of migrants (both Thais and foreigners) are Buddhists and speak Thai fluently.
- 5. It is interesting to note that according to the study, foreign workers spend more time in Pattaya. This fact is generally correlated with both demographic and educational characteristics of Thai visitors, and the fact that foreign workers more thoroughly and strategically set at a choice of job place in Pattaya, keeping in mind relatively high costs of migration and migration control measures. Most migrants (and Thai and foreign) are considering Pattaya as a place for temporary employment.
- 6. Foreign business in Pattaya increasingly prefers to hire foreign workers, rather than Thais. Most migrants are employed by foreign medium-sized businesses. As the results of the study, the Thais work in the places, previously owned by Thais, and Thais and migrant workers found jobs in Pattaya mainly through acquaintances.
- 7. Moving to and employment in Pattaya become more financially profitable for foreign nationals. Working conditions for foreign citizens and nonresident Thais in Pattaya are also different. For most foreign workers, an employer provides room and board, however limiting their possibilities for obtaining loans, insurance etc.
- 8. With regard to migration policy of the Kingdom Thai workers and foreign workers in general are assessing its effectiveness and clarity equally. Foreign workers also point out that national migration policy in Thailand take greater account of the interests of local business, not their own. Thai citizens believe that their migration policy is objective, and problems with immigration authorities could be avoided if employee has all necessary documents.
- 9. Migrants increasingly do not feel confident about their future, feel discriminated (working conditions and remuneration), while the majority of foreign migrants are not prosecuted for violations of immigration laws in the Kingdom this year. Non-local Thais who work in Pattaya, increasingly concern about the quality of their leisure time, the problem of loneliness and quality of life. Foreign workers traditionally live in compact settlements and have lack of free time for leisure as such.
- 10. Foreign workers are more generous in relation to possible costs for legalization of their stay in Thailand and looking for work in Thailand. It can be explained by relatively high economic effect of their employment in the Kingdom.

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