Migrant Workers In South-east Asia: economic And Social Inequality In Indonesia, Malaysia, And Singapore

2008

Patricia Hajek
University of Central Florida

Find similar works at: http://stars.library.ucf.edu/etd

University of Central Florida Libraries http://library.ucf.edu

Part of the Political Science Commons

STARS Citation

Hajek, Patricia, "Migrant Workers In South-east Asia: economic And Social Inequality In Indonesia, Malaysia, And Singapore" (2008). Electronic Theses and Dissertations. 3745.
http://stars.library.ucf.edu/etd/3745

This Masters Thesis (Open Access) is brought to you for free and open access by STARS. It has been accepted for inclusion in Electronic Theses and Dissertations by an authorized administrator of STARS. For more information, please contact lee.dotson@ucf.edu.
MIGRANT WORKERS IN SOUTH-EAST ASIA:
ECONOMIC AND SOCIAL INEQUALITY IN
INDONESIA, MALAYSIA, AND SINGAPORE

by

PATRICIA K. HAJEK
B.A. University of Central Florida, 2004

A thesis submitted in partial fulfillment of the requirements
for the degree of Master of Arts
in the Department of Political Science
in the College of Sciences
at the University of Central Florida
Orlando, Florida

Spring Term
2008
ABSTRACT

This thesis explores migrant labor in South-East Asia by addressing the topic of migration, specifically its causes and consequences. Indonesia, Malaysia, and Singapore are countries that experienced rapid industrialization from the mid-1960s throughout the 1990s. Simultaneously, the migration of people within the region increased. A key focus is how regional development has contributed to migration flows and to the position of migrants in these countries.

Using a migration systems framework from Castles’ and Miller’s *The Age of Migration* (2003) that draws on theoretical elements from economics, historical-structuralism and transnationalism, this thesis finds that several factors explain the causes of migration in Indonesia, Malaysia, and Singapore and the lasting implications migration had in their respective societies. Both macro- and micro-structures influenced industrialization and a migratory labor market. The historical, political, and economic linkages shared among the countries, alongside regional integration and attractive government-led industrialization strategies contributed to large-scale flows of migrant workers within the region. These same factors made migration and settlement increasingly difficult. Consequently, human rights violations of migrants in these countries became more pronounced.

Singapore’s dominance of Indonesia and Malaysia in the semi-periphery of South-East Asia conditioned the environment that migrants faced in their host societies. Migrant workers from Indonesia and Malaysia enjoyed better treatment in Singapore,
because of its targeted labor, immigration, and social policies. In all three countries, settlement patterns of migrant workers were virtually similar to government commitments to prevent assimilation.
To Mutti, Christian-Herbert, Mona, Albert, Matthew and Vati in spirit:
Your patience, support, and lax temperament helped me overcome many hurdles and keep my sanity in the process.
Vielen Dank.
# TABLE OF CONTENTS

LIST OF TABLES ............................................................................................................ vii  
CHAPTER ONE: INTRODUCTION ................................................................................ 1  
Chapter Descriptions ................................................................................................. 6  
Literature Review ....................................................................................................... 10  
Economic Theory ....................................................................................................... 11  
Historical-Structural Theory ..................................................................................... 15  
Transnational Theory ............................................................................................... 19  
Making a Case for Multidimensionality ................................................................... 22  
Framework for Migration and Development in South-East Asia ......................... 24  
Methodology and Measurements ........................................................................... 29  
CHAPTER TWO: FROM INDEPENDENCE TO INTERDEPENDENCE .................... 36  
Colonial Roots and the Creation of ASEAN .............................................................. 36  
Early Regimes and Economic and Social Planning, 1960s-1980s ......................... 39  
Singapore .................................................................................................................. 40  
Indonesia ................................................................................................................... 42  
Malaysia .................................................................................................................... 43  
Regional “Tiger” Growth and Migration policies, 1980s-2000 ............................. 45  
Indonesia-Malaysia-Singapore Growth Triangle .................................................. 46  
Foreign Direct Investments ....................................................................................... 48  
Intra-Migration .......................................................................................................... 51  
Empirical Findings .................................................................................................... 53  
GDP per capita and FDI ............................................................................................ 54  
Migration ................................................................................................................... 59  
Summary ................................................................................................................... 63  
CHAPTER THREE: SETTLEMENT AND MIGRANT RIGHTS .................................. 67  
Distinction of Human Rights .................................................................................... 68  
Observance of Migrant Rights in South-East Asia ................................................. 70  
Immigration and Responses to Settlement ............................................................. 72  
Malaysia .................................................................................................................... 73  
Singapore .................................................................................................................. 76  
Human Development ............................................................................................... 79  
Realities of Migrant Rights ....................................................................................... 81  
Summary ................................................................................................................... 86  
CHAPTER FOUR: CONCLUSIONS ........................................................................... 89  
Final Migration Systems Comparison of Indonesia, Malaysia, and Singapore ....... 95  
Settlement and the Realities of Migrant Rights ...................................................... 100  
Future Considerations for Migration ..................................................................... 103  
LIST OF REFERENCES ............................................................................................... 106
LIST OF TABLES

Table 1: GDP per Capita in Constant US$ by Year, among Select South-East Asian Countries ................................................................................................................. 55

Table 2: FDI Net Inflows in Current US$ Millions by Year, among Select South-East Asian Countries ....................................................................................................... 58

Table 3: Inflows of Indonesian Migrant Workers in Thousands by Destination Country, 1974-1994................................................................................................................ 60

Table 4: Migrants as a Percentage of the Total Population in Years by Country......... 62

Table 5: Human Development Index (HDI) by Year, among Select South-East Asian Countries ................................................................................................................. 80
CHAPTER ONE: INTRODUCTION

“History will judge societies and governments — and their institutions — not by how big they are or how well they serve the rich and the powerful, but by how effectively they respond to the needs of the poor and the helpless.”¹ While migrations are nothing new, this quote from Mexican-American labor rights activist César Estrada Chávez nicely captures much of the current debate over state responsibility for marginalized workers. Most migrants find themselves at the bottom of the socio-economic stratum of their host countries, often facing horrendous working conditions and lacking basic rights comparable to other segments of society.

Greater attention towards the plight of these “guest workers” has gained momentum in both the press and the policy concerns of Western industrialized countries. Migratory movements have increased in both volume and significance since World War II, affecting states that receive immigrants, are the origination of emigration, or a combination of both. It is often debated whether they are beneficial or injurious to society as a whole. Substantially less attention is given to workers from the developing world, migrating within their region. While challenges exist for migrants in the West, there are

---

¹ Quoted on page 211 of Jeansonne’s and Luhrssen’s (2006) *A Time of Paradox: From the Cold War to the Third Millennium, 1945-Present*. César Estrada Chávez was a well-known labor rights activist and union organizer throughout the 1950s until his death in 1993. He is credited with influencing farm workers’ movements in both California and Texas.
more domestic hurdles to be overcome by migrants in developing countries, especially
those found in the newly industrializing countries (NICs) of Asia.

As a major region, Asia experienced notable economic success for the better half
of the past four decades. In The East Asian Miracle (1993), the World Bank profiled
eight high-performing economies that achieved the highest growth rates in the world. The
countries ranked included Singapore, Indonesia, and Malaysia. Of the highest producers,
Singapore is grouped in the “Asian tigers,” along with Japan, Hong Kong, South Korea,
and Taiwan. They are notable examples of developing states that achieved high growth
rates and rapid industrialization in a relatively short period of time, from 1965 through
the 1990s (K.S., 2001).

The Asian economic trend of high growth and substantial influx of direct foreign
investments provided a growing market for migratory labor to fill employment gaps. The
main contenders or the “big tigers” in the region influenced the spread of economic
development throughout the neighboring countries. This progression, albeit slower,
impacted the nearby countries of Indonesia, Malaysia, and Thailand, also known as the
“little” or “emerging tigers.” A marked turning point, the Asian Currency Crisis of 1997
led to major setbacks within the economic policies of these industrializing states. Some
rebounded better than others as in the case of Singapore, much to the chagrin of
neighboring Indonesia and Malaysia.

Since the mid-1980s, rapid economic growth and declining fertility rates have
made the demand for migrant labor great within the “Asian tigers.” However, in this
region immigration is strictly regulated and some of the worst labor rights abuses in the
world can be found, despite democratic transitions. Often it has been argued by numerous Asian policy-makers that there is a divergent set of “Asian values,” which legitimizes their right to prioritize economic development and define human rights on their own terms. While the standard of basic human rights for individuals and groups in developing countries is generally lower than in the rest of the industrialized Western world, variations can and do exist within a region.

In the South-East Asian region, industrialization and migratory movements simultaneously gained significant momentum throughout the 1980s. Within Indonesia and Malaysia similar trends of the mistreatment of migrant workers were present, while Singapore fared much better despite the presence of authoritarian-based regimes in all three countries. An exploration of the causes and consequences of migration within South-East Asia provides much needed transparency to the relationship between regional economic development and the status of migrant workers, as well as explaining variation among the cases.

The main underlying question is to what extent regional economic development has contributed to migration flows and to labor rights abuses of migrants in the South-East Asian countries of Indonesia, Malaysia, and Singapore? Other questions must be asked to capture the migratory patterns, which shape the conditions that guest workers face in their new environments in South-East Asia. What compelled migrants to leave their homes in the first place and how are migrants economically, socially, and politically situated in these receiving countries? How are migrant workers marginalized and subject to human rights violations in host countries? What domestic policies and institutions, and
organizations are in place that regulates economic rights and migration programs? And what variations are found among the cases, and why?

A regional context that focuses primarily on migrants within a few cases will be examined for its utility and commonality of traits. Aside from the geographical proximity of neighboring Indonesia, Malaysia, and Singapore, there are economic, social, and even political similarities to migration and settlement patterns. Some of the worst violators of workers rights are found within South-East Asia, where the social and political development of migrants takes a backseat to economic development strategies. While some researchers may argue against a small selection of cases and often prefer a larger sample to prevent selection bias, proponents maintain that they must be sufficiently similar to one another in order to be comparable (For example, see King, Keohane, & Verba, 1994; Ragin, 2000). The absence of homogeneity potentially causes instability in causal inference by introducing unknown variables, or the units being analyzed, such as state changes over time.

While there is a conceptual homogeneity in the cases chosen, some differences remain on the migration status of countries and their workers. Singapore is primarily an immigration country, while Indonesia is mainly an emigration country, and Malaysia is both a receiving and a sending country of migrant workers. In terms of economic success, Singapore is a shining example of stable industrialization, eclipsing both Indonesia and Malaysia in many respects, including its transition to value-added technologies and its emphasis on social planning. However, both of these countries maintained dependent economic relationships to Singapore. From the very beginning of industrial policies in the
late 1960s, strong linkages were formed among these cases which have helped to shape migration and settlement patterns in that region.

The focus of this study is to delve into the topic of migration and migrant workers rights in the neighboring South-East Asian countries of Indonesia, Malaysia, and Singapore. A comprehensive framework will be constructed from Castles’ and Miller’s *The Age of Migration* (2003), which explores economic and migration policies, settlement, and social networks. Economic development in these cases will be examined to reveal how political regimes have facilitated their human rights records of migrant workers. Underlying this work is the theory of migration systems. Historical linkages and economic dependency among states are explored to explain regional influences on migration and transformations in individual labor markets. The status of migrant workers within this region is considered to be a result of these initial factors.

It is argued that both structural and individual factors influenced the flow of intra-migration movements in South-East Asia. Historical, political, and cultural linkages among the countries of Indonesia, Malaysia, and Singapore contributed to large-scale flows of migrants within the region. Relationships formed among the countries are rooted in colonialism and in commitments for regional integration after independence through the Association of Southeast Asian Nations (ASEAN). The principle aims of ASEAN for rapid industrial development later influenced the Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT). This local economic cooperative was reminiscent of capitalist relationships established between core countries and those found within the semi-periphery. It is found that commonly shared state-led industrialization strategies
contributed to large-scale flows of migrant workers in Indonesia, Malaysia, and Singapore. These same factors made migration and settlement in the countries increasingly difficult. Party-led governments seeking to maximize economic development initiatives and ignore basic human rights standards prompted less than favorable conditions for migrant workers in their host countries. Singapore, as a core country within the region, had a more successful industrial economy and expansive labor and social institutions. It also had a slightly better record for protecting migrant workers in contrast to Indonesia and Malaysia that were highly dependent on Singapore for its resources and capital.

Chapter Descriptions

Chapter One introduced the themes and major research questions in this study. The cases of Indonesia, Malaysia, and Singapore are addressed, as well as their positions as NICs and their rankings as “tigers” within Asia. The remainder of the chapter provides an overview and evaluation of the prevalent theories on migration and their views on the position of migrants. The utility of the economic, historical-structural, and transnational theories in the aforementioned economies is critiqued. This is then followed by an examination of a synthesis of the three theories within migration systems theory that is used for the remainder of the study. An outline of the framework used is discussed, which is based on Castles’ and Millers’ *The Age of Migration* (2003). The advantages of a comprehensive theory drawing on the best attributes of the most dominant theories are
weighed against a single theoretical framework. The methodology used in this study including measurements for factors that drive migration are specified along with a discussion of variables not included.

Subsequent chapters cover the economic transformations of the cases, from the 1960s through the early 1980s. Highlighted are the transitions from agrarian-based economies to industrialization for Indonesia and Malaysia, and Singapore’s declining reliance on entrepôt trade for finance and banking. Their historical economic ties set the backdrop for explaining migration patterns and policies and social development within the South-East Asia region. An analysis is drawn from the migration systems framework of Castles’ and Miller’s The Age of Migration (2003). An examination of regionalism through ASEAN and the Indonesia-Malaysia-Singapore Growth-Triangle (IMS-GT) captures the road to development for these cases. This in turn, helps to convey that the success of the “Asian tigers” is attributed to regional integration and centralized policy-making. A human rights analysis of state obligations towards migrant labor follows along with preliminary conclusions that are drawn from the cases.

Chapter Two focuses on the historical and economic linkages among Indonesia, Malaysia, and Singapore. The transitions of colonialism, independence, and interdependence are explored for the three cases in South-East Asia. The economic and social planning of the early regimes is examined from the period covering the 1960s to the 1980s. The establishment of the Association of South-East Nations (ASEAN) in 1967 signaled the beginning of regional development. Each country is investigated on its own accord, for domestic policies that were congruent to the goals set forth by ASEAN. This
is then followed by an analysis of the impact that the Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT) had on rapid industrial growth, the flow of capital and foreign investments, and the migratory process. Policies focused on the economy and migration from the 1980s to 2000 capture factors accounting for the rising “tiger” status among the cases.

Indonesia is investigated for its heavily agrarian-based economy and the conditions that facilitated the late push towards a market-driven economy. The changing dynamics of domestic working conditions contributed to its position as an emigration country, since it became a major exporter of labor. Measures of gross domestic product (GDP) per capita in current market US Dollars ($) overtime is used to capture economic development. Foreign direct investment (FDI) played an important role in economic development from the 1980s onward, allowing industrial sectors to thrive, which will also be examined. These indicators are used in conjunction with the overhaul of the economic policies driven by the Indonesia Nationalist Party (PNI) to explain how the acquisition of investment fulfilled the primary objectives of state-led industrialization and contributed to rapid economic growth. Migration flows of Indonesian workers to their destination countries are examined.

The analysis of Malaysia begins with a description of its economy in the 1980s. The main objectives of the National Economic Policy (NEP) that was initiated with a political alliance that was largely dominated by the United Malay National Party (UMNO) are examined. Its impact on reducing poverty and expanding equity among the multicultural population is evaluated. The position of labor among the populace, who
benefits most, is also reviewed. Its position as both an immigration and emigration country is explored. Estimates of its migrant population are explored. The directive plans of the NEP are examined for the penetration of corporate involvement. As in the case of Indonesia, GDP per capita and FDI are examined as indicators that represent the changing scope of its economy.

Singapore and its position as a core importer of labor in South-East Asia are explored. The successful implementation of industrial- and social-driven policies by the People’s Action Party (PAP) is examined. Private sector-led industrialization was the main policy agenda from the 1960s towards the 1990s. GDP per capita and FDI are also examined. Singapore’s industrialization is largely attributed to its economic strategy and government intervention, which has contributed to its major “Asian tiger” status as a core country within the region. Estimates of its migrant population are explored.

Chapter Three investigates the reach of international human rights into South-East Asia, and scrutinizes the application of migrant rights within the cases of Indonesia, Malaysia, and Singapore. The notion of “Asian values” is weighed against democratic standards of the West within the region, after a brief analysis of the reach of international law and relevant conventions towards the rights of migrant laborers. Immigration and employment policies are examined. Reports from the U.S. Department of State and non-governmental organizations are used, alongside the human development index (HDI) to gauge the rights of migrants in their host countries and overall quality of life. The human rights record of migrant laborers is different among the cases despite similar economic
and migration trends. The importance of democratic institutions and associations for migrants is then assessed.

Chapter Four is the final chapter. Conclusions are drawn from Indonesia, Malaysia, and Singapore within the South-East Asian region. The contributions made by their interdependence are noted for its influence on industrialization and migration flows in the respective countries. The role of core-periphery relationships is discussed for the selected cases and the emergence of growth-triangles, as well as migratory flows and the position of migrant workers in host countries. Suggestions are made for future research on regional integration and migration systems.

**Literature Review**

Contemporary research on migrants has been drawn from an abundance of disciplines and fields of study, each concentrating on aspects that are relevant to specific research questions. All of these perspectives aim to explain migration in a particular way, which is described by Castles and Miller (2003, p. 21), as a dynamic dimension of social existence that involves a “complex set of factors and interactions which lead to international migration and influence its course.” The majority of literature on migration takes one of two popular approaches, either economic or historical-structural. Other perspectives have gained momentum in recent years, especially globalization under transnational theory.
An examination of these dominant theoretical models will demonstrate that the concept of migration is too complex to be explained by any single theory. Research on migration requires a theory as dynamic as its subject. As will be shown, only some aspects of the causes and consequences of migration are addressed by a single theory. Theories that operate on a particular level of analysis are restricted in explaining migration as a process of several interacting factors. Elements of dominant theories are combined to propose a single theory under migration systems theory, which explains migration as a system of macro- and micro-structures operating on both the state- and individual-levels of analysis. Emphasis on the structure of the capitalist world economy is a dominant feature of this theory, alongside interstate relations and domestic policies, as well as domestic institutions.

\textit{Economic Theory}

One dominant model of migration is the neo-classical “push-pull” theory, which focuses on causes and possible consequences on the individual level-of-analysis. This theory focuses on what compels people to leave their homes for another location. Migrants are conceived as rational decision-makers, who compare the relative costs and benefits of remaining in their home countries or moving to host countries (Borjas, 1990; Sjaastad, 1962). “Push factors” such as lack of economic opportunities and political repression compel individuals to leave their country of origination, while “pull factors”
attract individuals to receiving countries because of the demand for labor by a state, availability of land, and political freedoms.

Taken together, “push” and “pull” factors drive people to take a cost-benefit approach when migrating to other countries. Potential migrants weigh the benefits or expectations of relocation with its cost. Often it is found that there is a higher return when moving from one locality to another that exceeds the cost of travel (For example, see Chiswick, 2000; Borjas, 1994; Zolberg, Suhrke, & Aguayo, 1989). Migration is conceptualized as an investment in “human capital,” as people’s actions determine their future well-being (Sjaastad, 1962, p. 83). This assumes that a person’s worth in society is largely proportionate to their economic contributions.

Expanding upon the “push-pull” theory, the “new economics of labor migration” theory argues that aside from lacking opportunities in a home country and greater job openings in another country, other factors influence an individual’s decision to migrate. Potential migrants consider income, secure employment, availability of investment capital, and management of long-term risk as important when examining contemporary labor markets between countries (Stark, 1991). Moreover, this research looks beyond individuals as primary actors who make economic choices to migrate. Often it is found that any decisions are made in conjunction with the rest of the household. Within the group dynamic, prospective migrants consider along with other family members how labor will be allocated and the availability of household resources before any decisions are made for one or more family members to take on employment in another country.
(Katz & Stark, 1986; Stark & Levhari, 1982). As a family unit, all individuals weigh the costs and benefits of work away from home.

Other variations of the economic approach look to structures within a country, at the state-level of analysis, to help explain decisions prospective migrants face and their positions in receiving countries. These theories primarily focus on how industrialization has transformed labor markets and the workforce within a country. Migration is viewed as deriving from the labor demands of modern industrial societies. Pull factors are considered by Piore (1979) to be the definitive factor in compelling immigration in receiving countries that have a chronic and unavoidable need for foreign workers. Employers turn to immigrants to meet labor demands as low wages, unstable conditions, and low mobility within the labor structure make it difficult to recruit native workers (Massey et al., 1993/2004, p. 11). The role of migrant workers is to fill the gaps present in society due to structural deficiencies. Furthermore, under the “dual labor market theory,” institutional factors such as race and gender segment the overall labor market (Piore, 1979). Migrant workers are separated from the rest of the working population, which aids in explaining why they are underrepresented in society and at times subjected to human rights abuses, including violations in labor standards and even violence by native workers.

There are several limitations to economic theories in explaining migrations at the individual-level of analysis, which relate to its explanatory power and its failure to acknowledge the importance of inter-state relations for determining migrant flows. It is assumed that the poorest would migrate in record numbers, but they do not
instances of economic polarization in their home country. Papastergiadis (2000) maintains that people from intermediate social positions are more likely to migrate and more importantly, that there are tendencies for the persistence of past historical links between countries, which helps to explain destination choices among migrants (p. 31). This accounts for why some migrants like Indians continually move to Britain and why Algerians still move to France. In this study, the persistence of historical links developed under colonialism explains why people from Indonesia migrate to Malaysia, in addition to explaining why a large portion of people from these two countries find work in Singapore.

A further limitation of “push-pull” models is based on the assumption that individuals are constrained in their choices of destination. Social and economic factors are considered main constraints in that process but as rational decision-makers, potential migrants are assumed to make judgments related to them (Papastergiadis, 2000). Potential migrants are not “pushed” out of their home countries because of constraints; rather they are attracted or “pulled” into another locality because of social and economic factors, these include work availability in the labor market, among others. Moreover, economic theories that address state structures through labor market segmentation between migrants and the rest of society do not take into account gender- and culture-specific differences (Phizacklea, 1983). The state’s role in receiving migrants appears to be ignored by most economic theorists, as well as institutions regulating immigration. Instead the labor market is favored as driving individual choice and the flow of peoples from one location to another.
Historical-Structural Theory

Another dominant theory, historical-structuralism, looks to the historical inequities of workers and the distribution of power in the world economy at the systemic-level-of-analysis. It answers how economic development has contributed to migration flows from country to country, and how the division of labor has potential human rights consequences for laborers. The roots of historical-structuralism are traced back to the Marxist tradition and to world-systems theory, where migration is viewed as a feature of a capitalist world economy and migrant workers are seized as an opportunity for exploitation by dominant powers.

In the Marxist model, the only value of workers is their labor-power or what commodities they can produce, which tends to be exploited by their employers (McLellan, 2000, p. 458). World-systems theory adds nuances to the Marxist analysis by extending the conceptualization that labor is capital that becomes exploitable through colonial domination in the world market, rather than in particular dual labor market economies (Portes & Walton, 1981; Morawska, 1990). Taken together, these Marxist ideas on capitalism and world-systems structure of the capitalist world economy provide a historical-structural framework that serves to explain international migration and issues related to economic development.

Originally developed by Wallerstein (1974), world-systems theory emphasizes the systemic character of the modern world economy. Regional comparisons of countries are made to distinguish variations in stages of economic development. The world is conceived as being connected by a complex network of economic exchange relationships,
with capitalism playing the key role. Historical changes within and among countries, including colonialism, have shaped the capitalist world economy, as well as how labor is viewed and delineated. This system is based on an international division of labor related to the emergence of modern industrial societies. Relationships between countries in different regions are determined by these countries’ respective positions in the international division of labor, as are the types of labor conditions within each region. Countries are grouped into one of four distinct regional categories: the core, the periphery, the semi-periphery, and external.

Wallerstein (1974) argues that alongside a country’s relative position within the world economy, certain internal political and economic characteristics can be typified. Core regions are those that benefited the most from capitalism and are the most industrialized. At the time of the sixteenth century, it was those in the northwestern part of Europe such as England, France, and Holland. They developed strong central governments, extensive bureaucracies, and large mercenary armies. Contemporary core regions are those found in both Western and Central Europe and the United States. Countries within the periphery are generally those that are in the process of development and often lack strong central governments or are controlled by other states. Eastern Europe and Latin America are examples given. They export raw materials to the core, and rely on coercive labor practices to achieve economic objectives. The core acquires and expropriates much of the capital surplus generated by the periphery, usually through unequal trade relations.
At the other end of the spectrum, within the semi-periphery, countries are found that are on the decline from the core in terms of capitalist development, as well as those making economic improvements in the periphery. There are tendencies for tensions between the central government and a strong local landed class. Asia, especially countries located in the South and South-East, are examples of semi-periphery regions undergoing rapid economic transitions. For Wallerstein (1974), the core often exploited these countries, but semi-periphery countries could also be exploiters of the periphery. In the external region, economies are more contained, with self-sustenance farming as a top priority. The case of former Soviet Russia and North Korea are examples.

According to contemporary historical-structuralist theorists and followers of Wallerstein (1974), aspects of colonial domination remain as core capitalist countries thrive, while those developing countries in the periphery and the semi-periphery try to catch up but remain underdeveloped compared to Western standards. It is often the case that developing countries find transitions to greater development stunted by corporate exploitation of host countries and their unskilled labor force (For example, see Cohen, 1996; Sassen, 1988). Generally, developing countries hope that the success of present transnational corporations will eventually trickle down to different sectors of society. Migration is seen as an inevitable outgrowth of disruptions and dislocations that naturally occur in the process of capitalist development, as land, raw materials, and labor within peripheral regions come under the influence and control of markets (Massey, 1989). For Cohen and others, individuals emigrate from developing countries because of disruptions caused by the introduction of direct foreign investments into their respective economies.
The historical-structural approach strives to expand upon much of the literature on capitalism by looking at how colonial remnants continue to have implications for developing states, but not without some short-comings. First, it does nothing to explain why laborers from their home country move to neighboring countries that have similar economic characteristics. It is generally conceived that individuals will migrate from countries in the periphery to those in the core. Other factors must be taken into consideration when exploring conditions for migration such as the existence of ideological and material ties from one country to another (Massey et al., 2004, p. 25). Second, there fails to be an explanation for the continuing significance of states, as there is a tendency to ignore the legal, military, and ideological bases for their existence in the historical-structural perspective (Schiller, Basch, & Blanc-Szanton, 1992/2004, pp. 217-218). Researchers that follow upon the classical work of Wallerstein (1974) have a propensity to view migrants as essentially units of labor, rather than taking into context their other dimensions of life. Too much emphasis is put on the economic aspects of migration, often rendering political influences virtually obsolete. Taken as a whole, this perspective falls short in explaining the prevalence of migration within developing regions, as its primary focus is on migratory patterns in highly developed countries, and largely ignoring the state’s role in controlling migration and determining settlement.
A recent addition to the discourse on migration relates to the phenomenon of globalization and the emergence of a large body of work addressing “transnationalism.” Although there is no single definition for globalization, it is generally conceived as a process of increasing interconnectedness among different societies, which spans into economic, social, and political spheres of life. This perspective assumes that traditional relations between states are rendered obsolete, as other actors have gained near or equal importance such as international organizations, regional organization, non-governmental organizations, and corporations, to name a few. As a concept, globalization gained momentum in the 1980s among economists to describe rapid improvements and openness in communication, transportation, and transactions at different levels of analysis.

There are two general schools of thought concerning globalization, whether it constrains or enables states in their behavior or policy objectives. Mainstream globalists tend to focus on constraints placed by economic openness on states as international agreements often conflict with national policy objectives resulting in restricted policy choices and forced policy shifts that play to the preferences of global investors and mobile corporations (Weiss, 2003). Hyper-globalists take an alternative view by positing the end of the state altogether (For example, see Guehenno, 1993/1995; Ohmae, 1990). Weiss, among others, believes that domestic institutions are important to understanding the effects of openness, and often they mediate challenges and become redefined because of pressures of interdependence. It is argued then that constraints on government policies
are exaggerated, and globalization is an enabling force for states. States remain the central authorities in determining the social and economic well-being of their people.

The observance of these global linkages between migrants and different societies gave rise to a large body of work addressing activities that are largely transnational in nature. Transnational theory seeks to answer how globalization impacts migration flows, national economies, and the status of labor in both sending and receiving countries. Schiller, Basch, and Blanc-Szanton (1992/2004) describe *transnationalism* as a process resulting from globalization, whereby immigrants build social fields or networks that link their country of origin together with their country of settlement (p. 213). Migrants are increasingly mobile, with networks and activities spanning more than one territory, giving rise to their term as “transmigrants” (Schiller, 1999, p. 203). They are aptly named so because their existence is based on participation in transnational communities. Transnational participation takes the form of activities that are largely based on economic initiatives, which serve as a catalyst for a host of others (Vertovec, 1999). According to Portes (1999), economic, political, social, and cultural activities occur on a recurrent basis across territorial boundaries by various actors that include representatives of national governments, multinational corporations, and individuals.

The prevalence of these transnational activities has fueled research on the emergence of transnational communities, which are considered the by-products of improved communities, better transportation, and free trade laws (For example, see Portes, 1996, 1999, 2004). It is argued that contemporary capitalism, its social and economic forces gave rise to transnationalism as it is known today. The significance of
transnationalization is seen in smaller countries, especially those that are newly industrializing, and is apparent where labor is exported or imported and where transnational corporations (TNCs) have moved their production facilities. For many transnational researchers, TNCs or multi-national corporations (MNCs) are the visible institutional forms of transnational practices and the key to understanding globalization (For example, see Sklair, 1995).

There are several debates to how far-reaching transnational theory is under the features of globalization. It is not a new revelation as some theorists may suggest with networks of communication and trade thriving among many early civilizations, but the increasing permeability of country boundaries in primarily the economic and social realms has rendered this more pertinent in the daily affairs of modern states. There is a prevalent assumption that actors in the global system are transnational because of their participation within a purported community. However, as in the case of migrants being labeled “transmigrant,” this consideration is only extended to individuals whose transnational activities comprise a major feature in their lives (Schiller, 1999). It is not extended to temporary migrants that stay in a host county for a relatively small number of years or to permanent migrants that make the decision to settle. Not all actors should be rendered as “transnational” by any default. Furthermore, to suggest that states are obsolete due to the increasing territorial borders and the changing scope of national identity with the mobility of migrants, seriously undermines reality.
Making a Case for Multidimensionality

The most prevalent theories of migration are derived from economics, historical-structuralism, and transnationalism. These are useful for explaining certain aspects of a complete process. The limitations of each are explored primarily for their explanatory power and exclusion of certain important factors that potentially influence migration and shape how migrant workers are viewed. If migration is to be viewed as a complex system, which it is argued in this study, then the use of a single level of analysis reduces the scope of the topic at hand. The main approaches for understanding migration only address the isolated parts of a total system. Each of the conventional theories on migration largely ignores the bigger picture, primarily how these parts fit into the whole.

In the economic approach, “push-pull” theories focus on people as rational decision-makers and the main drivers of migration at the individual-level of analysis. Even though it is suggested that state structures can attract foreign labor and perhaps that a country can become a primary importer of labor, these theories do not explain why they exist or account for variations in migration patterns among countries within a region. Moreover, these theories de-emphasize how historical linkages among countries can influence destination choices faced by potential migrants.

In the historical-structuralist approach, the historical and economic links among a group of countries are addressed and are considered important. Under the classical world-systems theory, capitalism is seen as determining inter-state relations at the structural-level of analysis. The placement of countries in various stages of economic development (e.g. regions of the core, the periphery, and the semi-periphery) influences relations
among countries and how labor is appropriated. There is less emphasis on how domestic structures including policies and institutions are instrumental in determining migration and the treatment of workers, except that those countries within the core draw labor from those within the periphery.

Although a major feature of globalization is the growing interconnectedness shared among societies and countries, the historical linkages established among countries is not a major concentration. Under transnational theory, it is assumed that countries have become more open with the rise of cross-border or transnational activities at the state-level of analysis. Particular emphasis is given to the mobility of non-state actors such as corporations and people. The creation of domestic institutions by governments is seen as a measure to mitigate the effects of interdependence. Largely absent is an explanation as to how the integration of states, even within a region, can influence similarities in governmental policies and the flow of corporate investments and people. Moreover, it is not expressly stated why people choose to migrate to certain countries and how a country is marked as a main importer or exporter of labor.

As individual theories, each of them has its merits for explaining particular aspects of migration. However, if the units under analysis within a study involve states, domestic policies of states, and the status of received migrants in region, a multi-theoretical framework is required. In order to support the argument that migration is a dynamic process, a theory that incorporates structural-, state-, and individual-levels of analysis is necessary. Since each of the prevailing dominant theories on migration and economic development provide important perspectives, a combination of them under a
migration systems framework will better capture the human rights situation that migrants face in their host environments.

A comprehensive framework drawn from migration systems theory is used to examine countries that receive or export migrants as well as the position of the migrant workers within these respective societies. The interaction of structural and individual elements is considered important for a greater understanding of similar and divergent trends in the South-East Asian NICs of Indonesia, Malaysia, and Singapore. Both a macro- and micro-level of analysis will provide the context for understanding the migratory process and why permanent settlement and the rights of migrant workers are seriously lacking in these cases.

Framework for Migration and Development in South-East Asia

As a multidimensional theoretical model, migration systems theory incorporates propositions from several approaches. Certain elements of economic, historical-structural and transnational theories are drawn to form a more complete picture of a complex topic. Migration systems theory seeks to capture the various dimensions of migration by looking at it as a stable enduring process, occurring through a sequence of events over time, rather than just observable phenomena.

There are distinct ways to view migration, which relate to what level of analysis is required for examination. At the very basic level, a common way to approach migration is by conceptualizing it to be two or more places connected by flow and counter flow of
people (Fawcett, 1989). Specifically, a system of migration involves a set of linkages both between and within state structures, in addition to any observable flows of peoples. The relationship between participant states largely dictates trends in regional migration and how migrant workers are situated.

Within this system of migration, linkages between receiving and sending countries of migrants are drawn from both historical and current relationships. These linkages are derived from past colonization, political influence, trade, investment, or cultural ties (Castles & Miller, 2003, p. 26). The most important elements to be examined are those that are readily observable. These can include trade flows, in addition to those that are more conceptual such as economic dependency (Fawcett, 1989). State to state relations and migrant agency activities are categorical linkages that are dependent on people that define a migration system. Interdependence is seen as an outgrowth of these linkages, reaffirming structural characteristics.

The influence of world-systems theory for this conceptual framework is considerable. Migration systems theory proposes that migration is a natural outgrowth of disruptions and dislocations of local populations in the process of capitalist development (Brettell, 2000, p. 103). Regional systems of migration are often examined, although more than one region can be cross-linked. Proponents of the regional analysis in addition to Castles and Miller (2003), are Fawcett (1989), Massey et al. (1993/2004; 1994; 1998), and Zlotnik (1989). They maintain that generally there is a core receiving country or even countries, while there are a specific set of countries linked to it by large flows of migrants.
It is assumed by migration systems theory that the structure of the world is Wallerstein’s (1974) system of capitalist development, which is based on historical and economic linkages of countries and regions. Within the semi-periphery, it is suggested that rapid industrialization of certain regions has shaped contemporary core-periphery relationships. According to Wallerstein, changes in the position of a country are accounted for in terms of the interaction between its national political economy and the world-economy (Lange, 1985, p. 183). Arguably, Singapore became a core country in the South-East Asian region, sharing strong ties with both Indonesia and Malaysia as a local periphery within the semi-periphery.

An analysis of migration systems theory under the framework of Castles’ and Miller’s *The Age of Migration* (2003) will show that development within the South-East Asian cases of Indonesia, Malaysia, and Singapore was based on strong historical linkages and interdependence, which led to the successful implementation of migrant-driven economic policies. The interaction between macro- and micro-structures is crucial for migratory movements and subsequent settlements in receiving countries.

For Castles and Miller, macro-structures include institutional factors such as the economic market, interstate relationships, and state structures. These are drawn from ideas of capitalist relationships between different regions in the world system. Economic strategies of governments provide incentives for the pull and procurement of migrant workers to fill gaps in the labor market. Micro-structures comprise informal social networks that provide important resources or “social capital” for individuals, which can also be supported by domestic institutions (For example, see Cohen, 1996). The notion
that people have become more mobile under transnational theory underlies much of the focus that labor is to be viewed as an aspect of social capital rather than exploitable human capital. Other important resources are provided by states that support or hinder migrant worker associations, such as the availability of trade unions and collective bargaining. In addition, the presence and influence of non-government organizations are also considered. The status of migrant laborers residing in each country, in terms of the extension of human rights standards and settlement programs, are weighted against these elements of macro- and micro-structures.

In this thesis it is argued that both macro- and micro-structures have made migratory movements easier in South-East Asia. Historical, political, and economic linkages, alongside regional integration and attractive state-led industrialization strategies contributed to large-scale flows of localized migrant workers in Indonesia, Malaysia, and Singapore. It is hypothesized that when comparing the South-East Asian countries, rapid economic development contributed to Singapore’s position as a core country among its neighbors, which led to greater flows of migrants within the region and established it as a main importer of immigrant labor from Indonesia and Malaysia. On the flip side, it is also argued that these same factors have made migration and settlement in these cases increasingly difficult, which in turn has aggravated human rights violations as these countries seek to maximize economic development. It is further hypothesized that when comparing the South-East Asian countries, those that are more state-centric in their immigration policies are more likely to place greater restrictions on migrant worker’s rights. Although there are more domestic hurdles to be overcome by migrants in the
South-East Asian NICs, some variation exists in terms of the protection allotted to them, as Singapore has maintained a better human rights record than its neighbors.

It will be shown that from the very beginning, Singapore became a core country during the industrial movement with Indonesia and Malaysia following as dependent countries to it as local peripheries within the semi-periphery. With its defined role as a strong economic base and targeted labor, immigration, and social policies, migrant workers from Indonesia and Malaysia enjoyed better treatment in comparison to migrants within their home countries. However, settlement patterns of migrant workers were virtually similar in government commitments to prevent assimilation. International human rights regimes are largely less effective in promoting migrant rights, as these countries do not adhere to major instruments and conventions. Instead, individual measures taken by national governments play a more significant role for the well-being and incorporation of migrants, which is reflected by the dynamic state-to-state relations among the players.

Operating under the migration system theory, notions of human and social capital, as well as the empowerment of migrants will be explored in order to link migrants with economic and social development. Labor and immigration policies are instrumental for promoting or hindering any such development. The social dynamics of migrations will be explored in Singapore, Indonesia, and Malaysia, which focus primarily on labor recruitment or restricted settlement. This gives preliminary insight as to why migrants are subject to human rights abuses, which is later elaborated under an analysis of the human rights regime in South-East Asia.
Methodology and Measurements

As a main emphasis of this study, the linkages established among the countries of Indonesia, Malaysia, and Singapore were crucial for regional economic integration. The historical, political, and economic relationships shared among them contributed to similar domestic policies geared towards industrialization and migration. A qualitative approach is taken to understand the origins of economic regionalism alongside migration and its consequences for the position of migrant workers in their host environments. States remain the primary actors and are the main units of analysis. However, several world-systems theorists argue that greater emphasis should be placed on the domestic policies of states (For example, see Chase-Dunn, 1990; Lange, 1985). Governmental policies are examined to provide the context for compliance of regional economic development schemes. Non-state actors are also important in an era that is influenced by globalization and transnationalism. These include transnational corporations, migrant organizations and non-governmental organizations. The time period examined for all three cases covers the late 1960s through 2000.

Capitalism is an important aspect of regional economic development for these cases. It also remains an overarching feature of the structure of the world economy, according to world-system theory. During colonialism and throughout the post-colonial era, South-East Asia was characterized as a peripheral region because it was lacking economic development and strong governments. Indonesia, Malaysia, and Singapore were once peripheral countries until the calculated move for greater economic development. When regionalism was established in the late 1960s, industrial-led
strategies by each government spurred greater economic development. South-East Asia became a semi-peripheral region, with Singapore exhibiting greater economic strength, likened to that of a core country.

Under migration systems theory, a developing country or group of developing countries within a semi-periphery can demonstrate characteristics similar to those within a core region (Castles & Miller, 2003). According to Terlouw (1993) countries that are classified as semi-peripheral can be different in appearance because a similar degree of “coreness” may conceal varying economic or even political strength. Core countries typically display high levels of economic development or state power, and immigration rates tend to be high. This value of “coreness” has major implications for development and migration patterns. It is hypothesized that when comparing the South-East Asian countries, rapid economic development contributed to Singapore’s position as a core country among its neighbors, which led to greater flows of migrants within the region and established it as a main importer of immigrant labor from Indonesia and Malaysia.

An intervening factor that helps explain the accumulation of capital wealth in the region of South-East Asia is the attraction of corporate investments from TNCs. These investments spur growth of national wealth through the expansion of labor markets for migrants. It can further be hypothesized that when comparing the South-East Asian countries, rapid economic development, alongside increasing levels of corporate investments, contributed to Singapore’s position as a core country among its neighbors, which led to greater flows of migrants within the region and established it as a main importer of immigrant labor from Indonesia and Malaysia. Economic development and
corporate investments are the independent variables, with migration flows as the dependent variable. Gross Domestic Product (GDP) per capita in constant U.S. Dollars represents the economic wealth accumulated from capitalist development.

A common method for measuring the semi-periphery of a group of countries is the total surplus generated within national economies (For example, see Arrighi, 1985). The indicator employed by some contemporary world-systems theorists is Gross National Product (GNP) per capita, which measures the value of goods and services of a country produced in one year, minus income generated by foreign workers. However, GNP per capita does not include income generated by foreigners that reside in a country. For a study that involves an examination of economic development and migration, GNP per capita is an insufficient measure since it excludes contributions made by migrant labor.

Another indicator that measures semi-peripheral economic strength is GDP per capita, which incorporates income generated by migrants (For example, see Terlouw, 1993). For the purpose of this study, GDP per capita in constant U.S. Dollars from the World Bank is used to measure the independent variable of economic development within the semi-periphery. A high surplus is associated with high GDP per capita in core countries, and semi-peripheral countries are characterized by intermediate per capita incomes, and low surplus is associated with low GDP per capita in peripheral countries. The World Bank sets thresholds for high, middle, and low performing economies in regard to income generated and state structures.

Alongside GDP per capita, investments made by corporations represent another independent variable that helps to explain the accumulation of capital wealth within a
country. Transnational corporations (TNCs) provide capital for investments of local resources. The presence of TNCs is instrumental for explaining the process of industrial-led economic development in the region of South-East Asia. An indicator that measures foreign capital penetration within a national economy is foreign direct investment (FDI). Inflows of foreign direct investments are also seen as having a positive relationship with migration flows (For example, see D’Agosto, Sulferino, & Tria, 2006). Figures of net FDI inflows per year from the World Bank are represented in current U.S. Dollars. Units of FDI are measured in millions of U.S. Dollars in ten-year increments to show change over time.

Migration is the dependent variable, which is affected by both GDP per capita and FDI. The actual number of migrant flows represents migration, which includes foreign labor of both men and women. Illegal migrant workers are not represented by these numbers, as any such figures presented by analysts are at best, rough estimates. Migration flow figures are gathered from various resources and are used to demonstrate trends and the status of each country, whether it is an importer (immigration country) or an exporter (emigration country) of labor.

Both the International Labor Organization (ILO) and the United Nations (UN) Statistics Division collect and disseminate official statistics on international migration flows. However, it should be noted that the availability of data on migration flows is somewhat scarce within Asia, which is due to varying efforts taken by state governments for data collection. Both the ILO and UN rely on state governments to share migration statistics, which explains why gaps exist in available data. While data on migration flows
are infrequent at inter-governmental organizations, state government agencies have slightly better data. An example of this is Indonesia’s Ministry of Manpower (MOM), which has extensive figures of labor outflows from its country since the early 1970s. Outflows of Malaysian workers and Singapore workers are not available. According to the OECD, there are no controls on the outflow of workers, either legal (those who applied via foreign embassies in Malaysia or Singapore) or illegal, which makes record-keeping for these individuals impossible (Pillai & Yusof, 1998). Malaysia began keeping records of foreign workers in their country after 1992 by surveying households to estimate the portion of resident foreigners in relation to the total population. The Population Division of the UN has compiled information for these countries in terms of the overall migrant population.

Another important variable addressed in this study is the status of migrant workers in their host countries. As the historical linkages shared among Indonesia, Malaysia, and Singapore prompted regional integration and rapid economic development, it also prompted the creation of national policies by their governments that were aligned with promoting aggressive economic strategies. States remain the main units of analysis in this study but their domestic policies are equally relevant. Industrial-led policies of each country were important for the achievement of regional economic objectives. Immigration policies were also important for how migrants were received and their overall position in their host countries. Migration systems theory incorporates these elements by placing greater emphasis on both macro-structures and micro-structures, namely, how inter-state relations and domestic policies explain the process of migration.
The centralized nature of governments were important for the achievement of regional industrialization strategies, but more so for creating the migratory environment. According to Wallerstein (1985) the semi-periphery is characterized by the concentration of state-oriented political activity aimed at achieving upward mobility. Chase-Dunn (1990) and Lange (1985) argue for contextual emphasis of the domestic policies of state-oriented governments in power. It is hypothesized that when comparing the South-East Asian countries, those that are more state-centric in their immigration policies are more likely to place greater restrictions on migrant worker’s rights.

A concentration of state-oriented activity or state-centrism is examined for regulatory policies. Strong, centralized state governments were important for explaining the human rights situation of migrant workers, as state restrictions placed on immigration and migrant workers hindered the promotion of international human rights standards. The independent variable, state-centrism is measured by the relative amount of state regulatory controls reflected through domestic policies that curb immigration, settlement, and migrant workers rights. While no single comprehensive measurement of human rights exists, the dependent variable of migrant rights is examined through various reports of abuses from the U.S. State Department, local newspapers, as well as non-government organizations (For example, see Jabine & Claude, 1992). Furthermore, the human development index (HDI) from the United Nations (UN) is used as an overall indicator for measuring the impact of economic policies on quality of life. According to the UN Development Programme, HDI measures indexes of healthy life (life expectancy), knowledge (Education), in addition to decent standard of living (GDP per capita).
International human rights standards are examined to provide additional context for the host environments that migrants face. Government commitments for human rights are considered crucial for the promotion of migrant rights. Reports from the U.S. State Department, local newspapers, as well as non-government organizations will capture the real abuses endured by migrant workers. Incidences of marginalization and violence towards them are highlighted.
CHAPTER TWO: FROM INDEPENDENCE TO INTERDEPENDENCE

As in many peripheral regions, industrial colonialism had a deep and widespread impact on South-East Asia, and provided the early foundations for regional economic development. The creation of core-periphery exchange for raw materials and cash crops between the Western powers and their South-East Asian colonies lasted from 1800 to 1945, and brought along with it varying corporate interests (Clawson, 2001, p. 355). A distinguishing feature of this colonial economy is that it led to the emergence of regional cores and peripheries within the colonial possessions, which marked substantial differences in local levels of economic development.

Colonial Roots and the Creation of ASEAN

After World War II, remnants of Western colonialism and influence in many developing countries throughout Africa, Latin America, and Asia diminished as self-determination signaled the new era of state sovereignty and economic transition. This trend followed through the sub-region of South-East Asia. Colonies that were once Dutch, British, French, Portuguese, Spanish, and American became independent.

There were strong colonial and political linkages among Indonesia, Malaysia, and Singapore (For example, see Clawson, 2001). Since the 17th century, the Dutch dominated sea trade in Asia through the Dutch East Indian Company and its province of Indonesia until World War II when Japan forcefully occupied its territories. Indonesia gained independence after the war in 1945 although it took another four years for the
Netherlands (under international pressure) for it to acknowledge its sovereignty as it tried
to reestablish its colonial rule. Established by the British from the 18th century, modern
Malaysia was once a British territory until a brief Japanese invasion during World War II.
After Japanese occupation ended, Britain reestablished its dominance over its colony and
provided protection for ethnic Malays. Independence came in 1957 when the British
transferred political control to a small Malay aristocracy. The Federation of Malaysia was
formed in 1963 when the former British colonies of Singapore and the East Malaysian
states of Sabah and Sarawak on the northern coast of Borneo joined. The first several
years of the country’s history were marred by Indonesian efforts to control Malaysia and
Philippine claims to Sabah. Once a British trading colony in 1819, Singapore seceded
from the Federation of Malaysia and gained independence by 1965. While patterns of
dependency from peripheral Asian colonies to the West ended to some extent, new forms
of interdependency arose among the new sovereign states.

From the very onset, Singapore staked its claim as a core economic country
among its neighbors for post-colonial economic development. The creation of the
Association of South-East Nations (ASEAN) in 1967 signaled early economic transitions
and regional development. It was spearheaded by Singapore and its early members
included Indonesia, Malaysia, the Philippines, and Thailand. The main goals of ASEAN
focused on strengthening regional policies towards the acceleration of economic growth,
social progress, cultural development among its members, and the promotion of regional
peace (K.S., 2001, p. 21). Urgent policy objectives among the states were to diversify
economic production and to reduce dependence on exporting raw materials to the West.
This economic organization was also crucial for maintaining member sovereignty and nation-building as the majority were newly independent states. Non-intervention among the affairs of each state is a principle in their cooperative. Member states of ASEAN were attractive for foreign investors because of the regional economic cooperation it offered by way of the ASEAN Free Trade Area (AFTA) of 1992. At the time of its inception, five member states, including Indonesia, Malaysia, and Singapore participated alongside Brunei, Thailand, and the Philippines. This measure promoted trade liberalization through the elimination of tariff and non-tariff barriers, which was believed to increase the competitive advantage of ASEAN as a production base in the world market.

As the World Bank (1993) contended, Asian economic growth was less of a miracle than most analysts believed. The success shared among the “tigers,” Singapore, Indonesia, and Malaysia, was based on superior accumulation of physical and human capital through foreign investments and specific [interventionist] government policies (K. S., 2001, p. 21). Economic linkages among these countries evolved, paving the way for domestic industrial-driven policies that required migratory labor. Regional integration facilitated greater attention among various corporations, whose entry into these countries jump started industrial transitions.

The accumulation of foreign direct investments (FDI) paved the way for migratory labor and an open market economy. Of the eight high performing economies, both Indonesia and Malaysia relied much more on FDI than the rest (K.S., 2001). Singapore also relied heavily on investments but eventually served as a base of operations for MNCs elsewhere in the region (Low, 2001, p. 117). Western countries
were the principal forces of FDI during the 1960s and 1970s, while from the 1980s onward, Asian firms including Japan, South Korea, Hong Kong, and others accounted for most of the investment (K.S., 2001).

A major definitive factor for the recruitment of foreign “offshore” manufacturing facilities and integration within the ASEAN was the political stability that it provided (Clawson, 2001, p. 357). The commitment of member states to promote peace, non-intervention, and eliminate tariff and non-tariff barriers was attractive for corporations looking for areas to situate production. Stability and endurance are major features of a migration system. This regional association opened the process of economic development, while creating an enduring market for migratory workers, which is evident in the membership of Indonesia, Malaysia, and Singapore. Despite the heavy reliance on FDI by Indonesia, Malaysia, and Singapore for transforming their economies and becoming integrated within the global production system, domestic economic and political institutions were just as important.

Early Regimes and Economic and Social Planning, 1960s-1980s

The early years of integration by ASEAN provided the milieu for like-minded states to industrialize. While the regional cooperative facilitated the move towards economic growth, at the domestic-level, governments implemented their main goals for rapid economic growth and a diversified economy contingent on migratory labor. Each of the three cases; Indonesia, Malaysia, and Singapore based their economic success on very
strong interventionist policies by governments that remained in power for long periods. It is hypothesized that when comparing the South-East Asian countries, Singapore’s rapid economic development, alongside increasing levels of corporate investments, greatly contributed to the flow of intra-migration with almost exclusive preference for Indonesian and Malaysian foreign workers. The interventionist regimes have also led to restrictive modern migration policies that foster short-term labor to fill employment gaps, while dissuading settlement and integrative rights for migrant workers. The human rights of migrant workers are elaborated in Chapter Three.

**Singapore**

Singapore’s political and economic life has largely been shaped and dominated by the People’s Action Party (PAP), which has been in power since 1959. Private sector-led industrialization was its main policy agenda throughout the 1980s. This was seen as the panacea for socio-economic problems plaguing Singapore, as its economy was heavily based on entrepôt trade, a remnant of its colonial past.

The first Development Plan (1961-1964), resembled the World Bank recommendations for an extensive role of the state in controlling labor and wages, providing various industrial estates, upgrading technical training, tax incentives and free remittance of profits (Rodan, 1997, p. 151). Goals of full employment and social improvements such as public housing, education, health and transport were attributed to a strong economic strategy of industrialization. Poverty was a key concern, as
unemployment accounted for nearly 9% in 1965 (Rodan, 1997, p. 152). Import substitution industrialization (ISI) was used as a measure for economic growth but did not prove effective as other sectors of the economy remained stagnant. ISI was abandoned in the late 1960s for the strategy of labor-intensive industrial development.

Lacking agricultural land, natural resources, and facilities for import-substitution, the only alternative left for Singapore was to attract as much investment as possible (Lim, 1995, p. 210). Its ethnically diverse population provided the labor for new industries. The PAP in conjunction with the Economic Development Board attracted corporations by reducing the capital costs and increasing the financial return on direct foreign investments through the Economic Expansion Incentives Act of 1967 (Lim, 1995, p. 115, 210). This granted tax concessions to new industries and provided for the expansion of established industries, including export-oriented industries.

Other ASEAN countries followed Singapore’s path by passing measures that provided tax incentives for budding industries. These included Malaysia and Thailand among others. Singapore’s government-linked companies (GLCs) and state-owned enterprises (SOEs) worked alongside MNCs (Low, 2001). Foreign investment brought expertise, technology, and markets for economic growth. The PAP, GLCS, and MNCs transformed the economy of Singapore into a labor-intensive, low-value added manufacturing hub.

Five years following the oil-induced recession of 1974, Singapore shifted to higher-value added manufacturing with an emphasis on capital, technology, and skilled labor (Low, 2001, p. 115). Its labor force was significantly lower than that of other
economies nearby, including Indonesia, Malaysia, India, and China. However, the use of skilled labor for technology-based industries gave Singapore the competitive advantage. The initial conditions of Singapore required a better strategy of economic development that centered on skilled labor, export-oriented trade, and infrastructure development.

Indonesia

Indonesia followed a path of quick industrial economic development, which closely resembled the interventionist strategies of its South-East Asian neighbors, including Singapore. Although rich in land and abundant resources, the departure from agricultural-based industries and import-substitution to export-oriented manufacturing industries would facilitate this change. Under a long period of authoritarianism, Indonesia enjoyed impressive economic growth by the encouragement of FDI through tax incentives. General Suharto, a member of the Indonesia Nationalist Party (PNI) ruled Indonesia for thirty-two years between 1966 and 1998. Indonesia’s economic growth and greater labor equality was generally attributed to a strong and stable albeit centralized authoritarian government. From 1966 until the 1997 Asian currency crisis, the Indonesian economic strategy has been characterized by state-led industry policies, protective trade regimes, and high levels of state investment (Robison, 1997, p. 29).

Suharto’s commitment to ensure macroeconomic stability was a main theme, which is indicative of a regime with a development orientation. State intervention took various forms in Indonesia. These measures included the central bank subsidizing credit
for state-owned development banks, industry, indigenous traders, and the provision of cheap credit to small and medium enterprises, as well as state-owned enterprises (Rock, 2001, p. 286). State control of banks and the allocation of subsidized credit was an enduring characteristic throughout the 1980s. State-owned enterprises in petrochemicals and steel in the 1970s paved the way for greater advances in technology-based industries (Rock, 2001, p. 286). The manufacturing industries thrived, as they made better use of the large and diverse working population in Indonesia.

The few specialized industries such as petroleum and steel were highly protected by the PNI-led governments, which followed examples from Singapore, South Korea, and Japan. Financial subsidies for indigenous industries were vital for Suharto, as rapid progress meant the realization of industrialization (Rock, 2001). Foreign capital penetration was crucial for the success of Indonesia, as it had a large market of primarily unskilled labor. During the 1980s, tax incentives and favorable tax rates were introduced for potential foreign investors, which were succeeded by the culmination of FDI inflows (Welsh, 2002, p. 250). Despite these efforts, reliance on foreign capital derived from various corporations provided the bulk of economic development.

Malaysia

Alongside Indonesia, Malaysia had a strong agro-based and mineral-rich market, which was a remaining vestige of its colonial past. As a multi-ethnic society that included Malays and sizable Chinese and Indian populations, poverty and uneven development
were key policy concerns. Import-substitution of primary products was abandoned after 1969 for a strategy of export promotion, which coincided with the Investment Incentives Act for the development of foreign direct investment manufacturing (Howell & Palmer, 1997, p. 15). Following ethnic-based riots, after the 1969 elections all three ethnic groups were represented in a political alliance by the United Malay National Party (UMNO), the Malaysian Chinese Association (MCA), and the Malaysian Indian Congress (MIC), which led to the adoption of the New Economic Policy (NEP) that sought to achieve both national unity and economic development (Eyre, 1997).

The main goals of the proposed twenty-year plan of NEP was to eradicate poverty among all ethnicities, restructure society by reducing identification of race with economic function, and eventually to redistribute equity from primary foreign hands to the indigenous Malays (Eyre, 1997; Howell & Palmer, 1997). The rural and urban divide was pronounced in the 1960s, as 85% of the Malay populations were classified as rural, while those who were considered urban comprised 47% of Chinese and 35% of Indians (Eyre, 1997, p. 130). The NEP led to the First Outline Perspective Plan (OPP) for 1971–1990, which favored greater state intervention in public sector ownership and control of business enterprises, in addition to resource allocation (K. S., 1997, p. 98). A main objective of the OPP was the reduction of poverty from 1970 figures of 49% in Malaysia to 16% by 1990. Although the NEP was designed to restructure society and eradicate poverty in 1971, massive population drifts to the urban areas occurred. This led to acute labor shortage in the rural and plantation sectors, which increased the demand for imported labor, primarily from the neighboring countries of Indonesia and Thailand.
The creation of a Malay business class was a crucial element of the NEP and the OPP. Ethnic Chinese elites dominated the trading, commerce, and small business activities, which led to the expansion of state enterprises and trust agencies in the 1970s and 1980s (Rodan, 2004). Coinciding with the NEP, ISI was abandoned from the early 1980s for export-oriented industrialization that required government efforts to attract and encourage transnational corporations (K.S., 1997, p. 98-99). OPP was largely successful, although as Kwame Sundaram (2001) indicates, altered definitions of poverty could have potentially left out millions of people. However, measurement of socio-economic data has been relatively transparent, and manipulations of statistics by the UMNO government cannot be ruled out.

Regional “Tiger” Growth and Migration policies, 1980s-2000

Regional policy in the late 1980s and early 1990s brought about the Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT). This important trend of sub-regional economic integration apart from ASEAN, according to Smith (1997), illustrates the nexus of national, regional, and international dynamics necessary for explaining economic transformation. It was a measure that increased the comparative advantage of Indonesia, Malaysia, and Singapore relative to the rest of Asia by way of stronger economic integration and cooperation, while facilitating transnational corporate enterprises within the sub-region. For Parsonage (1992), the regional cross-border economic transaction offered by the IMS-GT was a geographic corollary of globalization and the “borderless”
world it engendered. While Sparke, Sidaway, Bunnell, and Grundy-Warr (2004) take the approach that interstate relations and transactions, including growth-triangles like the IMS-GT, are rooted in states sharing strong links to colonialism and post-colonialism. They argue that within a sub-region, geographies of land, capital, and labor among states can diverge. The economic connections among these South-East Asian countries are considered to be based on geographical and historical linkages, with Singapore dominating Indonesia and Malaysia.

Castles and Smith (2003) argue for viewing migration as a dynamic, even historical process in order to explain many of the political and social problems faced in both sending and receiving countries. Economic factors are considered necessary to initiate the movement of people, however they contend that migration may continue due to social factors. Migration in South-East Asia is considered by Lucas (2005) to be a case of increasingly integrated labor markets as the higher income countries experience migration transitions with legal migration being almost exclusively short-term. An examination of the IMS-GT is therefore justified to illustrate the economic contribution to migration as a system and how such developments have transformed the status of migratory laborers in Indonesia, Malaysia, and Singapore.

**Indonesia-Malaysia-Singapore Growth Triangle**

Elements of a modern migration system in South-East Asia are strong, at both the structural- and individual-levels of analysis. State-to-state relations and migrant agency
activities from the era of rapid economic growth, increased corporate presence and migratory movements of the late 1980s onward are derivative of the enabling reach of globalization and the emergence of transnationalism. Strong state-to-state linkages are visible by way of trade and financial flows, immigration and emigration policies, and economic dependency based on the labor supply and demand (Fawcett, 1989). The semi-peripheral two-way relationship of Indonesia and Malaysia with its core in the IMS-GT has greatly influenced state-to-state relations, which has had important positive consequences on the migration system within the region. It has also simultaneously negatively impacted the status and settlement of migrant laborers at the domestic institutional level, which is later elaborated in another chapter.

Singapore Deputy Prime Minister Goh Chok Tong, in the latter part of the 1980s, made the announcement that after negotiations it would team up with neighboring areas of Malaysia and Indonesia to form a “triangle of growth” (Smith, 1997, p. 369). It was conceived to be both a geographic unit and economic concept that aimed to benefit all of the parties, including Singapore proper, the Indonesian province of Riau, and the Malaysian state of Johor. During pre-colonial times, Johor and Riau were once part of an empire, which eventually declined in importance during colonialism upon separation into different entities (Sparke, Sidaway, Bunnell, & Grundy-Warr, 2004).

From its inception, the IMS-GT was dominated by Singapore and its GLCs, which provided the infrastructure, financial reserves, and management for development projects in Indonesian and Malaysian provinces, while they in turn provided their abundant labor force and land (Low, 2001, p. 116). At the basic level, Singapore as a core
country in the semi-periphery provided the capital, while those linked to it, Indonesia and Malaysia provided the labor and land.

The mix of cheap, labor-intensive industries in Johor and Riau and skilled professionals in a more efficient infrastructure in Singapore attracted a multitude of MNCs, in addition to minimal transportation and communication costs that the geographic proximity offered. By 1992, all three countries agreed to form a joint committee to promote the growth triangle to foreign investors. Two years later, the memorandum of understanding (MOU) was signed, enforcing the concept and providing consultative mechanisms to oversee cooperation (Smith, 1997, p. 372). The IMS-GT was expanded in 1996 to include the Indonesian province of West Sumatra and the Malaysian states of Negri Sembilan and Pahang (Smith, 1997, p. 373). This sent a clear message to corporations that cooperation was occurring at a government-to-government level, and would facilitate and promote linkages.

*Foreign Direct Investments*

With the influences of regional integration still present in the IMS-GT, including the spread of corporations to the periphery, Singapore’s EDB adopted a new strategy in the 1990s for a more mutually beneficial policy between the government and 4,000 TNCs. The Strategic Economic Plan encouraged their retention in the country, which would serve as a regional base of operations (Low, 2001, p. 117). Singapore became a
financial hub for thousands of corporations within the region, giving it a status of a “high-income earner” likened to that of a Western industrialized economy.

The regional context and economic linkages of the IMS-GT added to the success of state-business ventures and overall economic development in the peripheries of Indonesia and Malaysia, which greatly contributed to their “emerging tigers” status. The IMS-GT funneled small and medium-sized enterprises, MNCs, and Singaporean GLCs that worked with Indonesian and Malaysian networks to help industrialize Riau and Johor (Low, 2001, p. 116). By and large, there has been a strong two-way relationship between Singapore and its neighbors, but the relationship between Indonesia and Malaysia was somewhat limited. Written agreements, especially in joint development projects for the Singapore-Riau link existed, while the Singapore-Johor link was not covered by any such formality (Smith, 1997, p. 371). At the time, Indonesia and Malaysia did not have any specific arrangements, with the exception of some reciprocal investments and joint development ventures between the Malaysian Johor Corporation and the Indonesian provincial government of West Sumatra (Smith, 1997, p. 371).

By 1996, the IMS-GT was expanded to include the Indonesian province of West Sumatra and the Malaysian states of Negri Sembilan and Pahang (Smith, 1997, p. 373). In Indonesia, the PNI’s relationship with the Sino-Indonesian business community in the creation of distributional networks was central for expanding and consolidating corporate regional involvement (Rock, 2001, p. 286). Malaysia fared well, although there was often discontent that Singapore preferred its relationship with Indonesia.
Reliance on foreign capital was vital for Indonesia and provided the bulk of economic development. The few specialized industries such as petroleum and steel were highly protected by the PNI-led government, which followed examples from Singapore, South Korea, and Japan. Financial subsidies for indigenous industries were vital for Suharto for the more rapid progress in industrialization (Rock, 2001, p. 289). During the 1980s and 1990s, tax incentives and favorable tax rates were introduced for potential foreign investors, which were succeeded by the culmination of FDI inflows (Welsh, 2002, p. 250). Between 1960 and 1995, GNP in the manufacturing sector steadily increased, except during 1995 (Welsh, 2002, p. 240). Poverty substantially reduced by almost 47% from a high of 89 million in 1965 to a substantially lower 21.9 million in 1995; however, it increased more than 5% by 2005 (Welsh, 2002, p. 244; World Bank, 2006a).

As in Indonesia, Malaysia reaped the benefits of the foreign capital penetration through the IMS-GT within its economy. By 1990, ethnic Malays accounted for 49% of manufacturing employment due to the increasing presence of corporations and government Unit Trust Schemes, created to boost ownership in share capital (Eyre, 1997, p. 133). Manufacturing as a portion of GDP steadily increased within this ten-year period from 19.3% to 26.4% (World Bank, 2006b). The incidence of poverty substantially declined among all ethnic groups, which was also influenced by the twenty-year NEP, and eradication rates rose to 57% under the Fourth Malaysia Plan 1981-1985 (Eyre, 1997, p. 133; World Bank, 2007b).
**Intra-Migration**

Coinciding with rapid economic growth offered by the IMS-GT and individual complementary national strategies by Indonesia, Malaysia, and Singapore, the demand for migrant labor soared throughout the mid-1980s and well into the 1990s. According to a report presented at a Tokyo Organization of Economic Co-operation and Development (OECD) seminar in 1995, it was argued that the surge of migratory flows of labor in South-East Asia was related to the emerging growth triangle of the Riau islands of Indonesia, the Johor state of Malaysia, and Singapore, and the expanding labor market links among them (Wickramasekara, 1996, p. 104). At the periphery, Indonesia is a primary exporter of unskilled labor, while Malaysia exports unskilled labor and imports semi-skilled labor, and Singapore is more stationary as the core economic country in the region that receives unskilled laborers.

Within the periphery, Indonesia is prominently a sending country, contributing a substantial amount of migrant labor to its members in the IMS-GT. Largely unskilled migrants find work in Malaysia but also in Singapore. The Indonesian Ministry of Manpower (MOM) is responsible for overseeing the registration of exported migrant labor. These are individuals that are legally permitted to work in their destination countries. While Malaysia is a source of emigration, there were significant numbers of Indonesian migrants in Malaysia as a popular destination country. In the mid-1980s, Malaysia underwent a labor transition from exporting to importing migrants. This is attributed to its multiethnic population which facilitated the reactivation of historical
migration networks, and to the open export-oriented economy which was heavily reliant on high rates of foreign investment (Lim, 1996).

There is a mixture of temporary and permanent migration in Malaysia. According to Lim (1986), “the main aim of the majority of Indonesian migrants [in Malaysia] is to legalize their status, bring their families over and stay permanently” (as cited in Godfrey, 1996, p. 131). As a response to estimates that as many as one million undocumented migrants resided in Malaysia, the government proposed a measure in 1992 that all foreign workers are registered (Wickramasekara, 1996, p. 107). This met with little success, and by 1994 the government allowed employers facing labor shortages to apply for permission to recruit undocumented foreign workers.

Singapore is an example of an immigration country that imports a large number of laborers. A surge of primarily unskilled labor within Singapore prompted a 1981 policy by the PAP to faze them out. By 1991, it was abandoned, and instead levies were more stringently imposed on all work permit holders, while ceiling were placed on various industries that foreign workers occupied (Wickramasekara, 1996, p. 107-108). There has been a tendency to favor the entry of skilled laborers and encourage permanent settlement. As a high-earner country that is likened to many industrialized Western economies, there was a significant demand for quality manpower for its higher value-added industries; however low-level jobs attracted most migrants within Asia.

Prior to implementation of the IMS-GT in the 1990s, foreign workers were only allowed by Singapore to occupy jobs within the hotel, construction, and manufacturing industries, which later incorporated the service industries including trade, banking, and
community services (Stahl, 2003, p. 33). Despite the variability of sectors of industries open to migrants, Singapore has a vast demand for low-skilled foreign labor. In particular, the domestic service industry that typically involves housework and cleaning jobs attracts tens of thousands of foreign workers that comprise mostly women from South-East Asia, including the countries of Malaysia, Indonesia, Sri Lanka, and elsewhere (Guo & Iredale, 2003, p. 87).

**Empirical Findings**

Regional economic development and the introduction of foreign capital transformed the national economies of Indonesia, Malaysia, and Singapore. ASEAN and the IMS-GT influenced domestic industrial-led strategies aimed at stimulating economic growth within the semi-periphery. Indonesia and Malaysia were largely dependent on Singapore for resources and capital. Simultaneously, migratory movements within the region became more frequent. At the height of regional economic growth before the ensuing Asian Currency Crisis of 1997, the OECD (1998b) estimated that there were nearly five million migrants in Asia. It is hypothesized that when comparing the South-East Asian countries, rapid economic development, alongside increasing levels of corporate investments, contributed to Singapore’s position as a core country among its neighbors, which led to greater flows of migrants within the region and established it as a main importer of immigrant labor from Indonesia and Malaysia. Although at times, there
is a dearth of statistics for migration flows, a few trends are pronounced within South-East Asia.

Since the establishment of ASEAN in 1967, the South-East Asian semi-peripheral countries underwent substantial changes within their national economies. Import-substitution of primary products as an economic strategy was abandoned among Indonesia, Malaysia, and Singapore for export-oriented manufacturing. Singapore established itself as a highly-industrialized country, or a core country among its neighbors in a local periphery within the semi-periphery. Its success is partially attributed to a shift from labor-intensive, low-value added manufacturing to higher-value added manufacturing (Low, 2001). Indonesia retained a mix of agricultural activities in addition to low-value added manufacturing, although technology-based industries were pursued. While Malaysia maintained an agricultural market like Indonesia, it also aggressively followed a path of middle-range manufacturing and state owned enterprises. The data compiled is examined for comparisons made for each variable in the hypothesis. These include GDP per capita and FDI as independent variables and migration flows. Following this analysis, a conclusion is made based on the relationship between these variables.

**GDP per capita and FDI**

Table 1 displays GDP per capita in constant U.S. Dollars ($) by year from the World Bank (2007a) for the countries of Indonesia, Malaysia, and Singapore. In ten years time, from 1970 to 1980, their national economies were thriving. Indonesia’s GDP per
capita slightly increased from $235 to $397. Malaysia fared much better, increasing its GDP per capita by $745, from $1,103 to $1,848. Although, both Indonesia and Malaysia grew economically, they were substantially outperformed by Singapore. GDP per capita in Singapore nearly doubled from $4,531 to $9,056. Singapore acquired greater earnings when compared with its neighbors in those ten years. By 1980, Singapore’s GDP per capita was nearly $8,700 higher than Indonesia’s and about $7,208 higher than Malaysia’s.

Table 1
GDP per Capita in Constant US$ by Year, among Select South-East Asian Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>193</td>
<td>235</td>
<td>397</td>
<td>612</td>
<td>906</td>
<td>800</td>
</tr>
<tr>
<td>Malaysia</td>
<td>993</td>
<td>1,103</td>
<td>1,848</td>
<td>2,547</td>
<td>3,938</td>
<td>3,927</td>
</tr>
<tr>
<td>Singapore</td>
<td>3,241</td>
<td>4,531</td>
<td>9,056</td>
<td>14,674</td>
<td>21,018</td>
<td>23,077</td>
</tr>
</tbody>
</table>


With the IMS-GT firmly in place, Table 1 shows that rapid “tiger” growth became visible among the countries from 1990 until the Asian Currency Crisis of 1997. Indonesia grew faster than previous years and gained $294, from a low $612 to a higher $906. The gain of $294 was nearly double the gain from 1970 to 1980. Although Indonesia’s economy grew, it was still the lowest among its neighbors. Malaysia continued to outmatch Indonesia, as its GDP per capita increased from $2,547 to $3,938, giving it a
gain of $1,391, nearly double the gain of $745 from 1970 to 1980. Singapore steadily increased its position as a core country. GDP per capita dramatically grew from $14,674 to $21,018, giving Singapore a $6,344 advantage. It consistently grew, as its $6,344 advantage outpaced its gain of $4,525 between 1970 and 1980. While all three countries grew at much faster rates during the 1990 to 1997 period, Singapore’s economic development was much more pronounced. In 1997, Singapore’s GDP per capita was $20,112 greater than Indonesia’s and $17,080 more than Malaysia’s. After the Asian Currency Crisis of 1997, there were losses among two of the countries. By 2000, both Indonesia and Malaysia had weaker GDP per capita figures than those from 1997. Indonesia had a substantially weaker GDP per capita of $800, while Malaysia remained near its earlier GDP per capita with $3,927. On the other hand, Singapore continued to grow as its GDP per capita was $23,077. This was a comparably weaker gain of $2,059 than previous years.

Singapore consistently delivered higher figures of GDP per capita when compared with Indonesia and Malaysia. As a measure of economic development within the semi-periphery of South-East Asia, the early success of Singapore and its continuation after the Asian Currency Crisis of 1997 is indicative of its “coreness.” The World Bank ranks countries in terms of their economic performance or income into low-, middle-, or high-performing economies. In 1999, low-performing countries were those that maintained a GDP per capita of less than $756, middle-performing countries were those with a GDP per capita from $756 to $9,265, and high-performing countries were those with figures higher than $9,265 (World Bank, 2007a). According to Table 1, Singapore is
characterized as a high-performing economy. Since after 1980, Singapore’s GDP per capita exceeded the threshold. Indonesia and Malaysia are middle-income countries as their GDP per capita followed in the range of $756-$9,265. Indonesia is considered to be lower in the middle-performing range, while Malaysia is an intermediary middle-income country.

Alongside GDP per capita that measures for economic development, FDI helps to explain the existence of such figures and the characterization of Singapore as a high-performing core country. Table 2 shows data from the World Bank (2007a) of net FDI inflows represented by U.S. Dollars ($) in millions according to year, among the countries of Indonesia, Malaysia, and Singapore. Beginning with the early years of regional integration through ASEAN, from 1970 to 1980 there were notable increases of foreign capital penetration into each of the burgeoning economies. FDI more than doubled in Indonesia, from $145.4 million to $300.1 million. Malaysia dramatically increased its FDI by nine-fold, from a very low $94 million to a high $933.9 million. For 1970, Singapore did not have any figures for FDI inflows but in 1980 it attracted $1,235.8 million. When comparing all three countries during this period, Singapore secured much more FDI than Indonesia and Malaysia. Singapore procured more than $935.7 million when compared with Indonesia, and more than $301.9 million when compared with Malaysia. However, the more significant gains were made by Malaysia since Singapore did not have any figures represented for 1970.

57
### Table 2
FDI Net Inflows in Current US$ Millions by Year, among Select South-East Asian Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>145.4</td>
<td>300.1</td>
<td>1,093.0</td>
<td>4,677.0</td>
<td>-4,550.4</td>
</tr>
<tr>
<td>Malaysia</td>
<td>94.0</td>
<td>933.9</td>
<td>2,332.5</td>
<td>5,136.5</td>
<td>3,787.6</td>
</tr>
<tr>
<td>Singapore</td>
<td>n.a.</td>
<td>1,235.8</td>
<td>5,574.7</td>
<td>13,655.3</td>
<td>16,479.4</td>
</tr>
</tbody>
</table>

Note: Figures not accounted for are not available, they are designated as n.a.

Between 1990 and 1997, Table 2 shows that there was an exponential growth of capital from foreign investors into all three countries. This period coincided with the implementation of the IMS-GT and greater government commitments for attracting corporate investments through the provision of special tax rates and tax incentives. In Indonesia, FDI more than tripled from $1,093 million to $4,677 million. FDI grew similarly in Malaysia, although it nearly tripled its capital investments from $2,332.5 million to $5,136.5 million. Singapore surpassed both Indonesia and Malaysia with a substantial eight-fold increase of investments into its economy. In 1990, Singapore FDI inflows were $5,574.7 million but by 1997 this grew to $13,655.3. It acquired $8,978.3 million more than Indonesia and $8,518.8 more than Malaysia.

After the Asian Currency Crisis of 1997, there were sizable reductions of FDI inflows in Indonesia and Malaysia, but Singapore continued to gain capital albeit at a slower rate. Table 2 shows that Indonesia experienced a rollback with a negative
$4,550.4. Investments slowed in Malaysia, as FDI inflows were $3,787.6, a loss of $1,348.9 million from 1997. This figure was much closer to corporate investments secured near 1990. Singapore’s positive FDI penetration continued with $16,479.4 million in 2000. From 1997 to 2000, it gained $2,824.1 million even through these gains were much more sluggish than those received in the past. The hardest hit by the Asian Currency Crisis were Indonesia and Malaysia.

**Migration**

Table 3 displays inflows of Indonesian migrant workers from the Indonesian Ministry of Manpower (MOM) by the top countries of destination from 1974 through 1994 (as cited in OECD, 1998a). Data received from the Indonesian MOM shows that legal migratory flows have steadily increased over time, solidifying the claim that Indonesia is an emigration country. Saudi Arabia is the top destination among Indonesian migrants. This could perhaps be explained by religious similarities, as Indonesia has a population with a Muslim majority, among other things. Since Saudi Arabia is outside the parameters of this research on migration within the region of South-East Asia, no real conclusion can be made for these flows. After Saudi Arabia, Malaysia is the second main destination for Indonesian migrant workers, and Singapore follows in third.
Table 3

Inflows of Indonesian Migrant Workers in Thousands by Destination Country, 1974-1994

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>3.8</td>
<td>56.0</td>
<td>223.6</td>
<td>384.8</td>
<td>96.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.5</td>
<td>11.4</td>
<td>37.8</td>
<td>156.3</td>
<td>41.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>2.4</td>
<td>5.0</td>
<td>10.5</td>
<td>48.9</td>
<td>15.7</td>
</tr>
<tr>
<td>United States</td>
<td>0.2</td>
<td>3.0</td>
<td>6.9</td>
<td>14.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>n.a.</td>
<td>n.a.</td>
<td>0.2</td>
<td>7.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1.3</td>
<td>1.8</td>
<td>1.7</td>
<td>5.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Note: Figures not accounted for are not available, they are designated as n.a.

From the 1974-1978 to the 1979-1983 periods, Table 3 indicates that there were positive increases in the flow of Indonesian migrant labor to Malaysia and Singapore. It was estimated that there was an increase of 10,900 Indonesian migrants to Malaysia in less than ten years, growing from a meager 500 to a much higher 11,400. Those migrating to Singapore increased from 2,400 to 5,000, a gain of 2,600 Indonesian workers. Migrations of Indonesian labor increased during these periods, which correspond with ASEAN regional integration.

Influxes became more pronounced in South-East Asia during the early 1990s, coinciding with the implementation of the IMS-GT. According to Table 3, from the 1984-1988 to the 1989-1994 periods, there was a substantial increase of Indonesian
workers entering Malaysia and Singapore. There was an exponential, more than five-fold increase of migrants to Malaysia, from 37,800 to 198,000. In Singapore, the number of migrants nearly increased six-fold, from 10,500 to 64,600. There were clearly more Indonesians finding work in Malaysia than Singapore. Malaysia had 133,400 more Indonesian migrants than Singapore throughout 1989 to 1993 and 1994 combined. While influxes of Indonesian migrants grew at a much faster pace in Singapore, their presence was much more significant in Malaysia.

In the years following the Asian Currency Crisis of 1997, migratory trends remained nearly the same. According to recent information obtained from the Indonesian MOM (2004), by 2001 there was a brief hiccup for this trend of positive Indonesian labor outflows to Malaysia, as it slowed to 110,490, while laborers migrating to Singapore increased slightly to 34,295. However, these figures reflect contract migrant labor and do not include massive flows of illegal migrant labor after the Indonesian economy was hard-hit in 1997. Malaysia and Singapore anticipated an influx of Indonesian migrants and acted by adopting stringent sanctions against those that were undocumented (Scalabrini Migration Center, 2000). From 1997 through 1998 The Straits Times reported numerous cases of illegal Indonesian migrants that were arrested, detained, and even tortured.

While Indonesia is primarily an exporter of labor, both Malaysia and Singapore are considered top destinations for migrants. Table 4 displays United Nations (UN) estimates of the percentage of legal migrants in relation to the total population in years for Malaysia and Singapore. Malaysia receives more Indonesian migrants workers when
compared with Singapore, however, their percentage of overall migrants are comparably lower. According to Table 4, in 1970 migrants accounted for 6.8% of the total population, but by 1980 there was about a 1% reduction to 5.7%. The percentages were relatively constant around 5.7%, however, between 1990 and 2000 this increased by half a percent to 6.1%. These numbers seem apparently low, when taking into consideration the reportedly high inflows of Indonesians to Malaysia in Table 3. A reason for this is that Malaysia did not record entry numbers for immigrant workers.

Table 4

Migrants as a Percentage of the Total Population in Years by Country

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indonesia</td>
<td>1.0</td>
<td>0.7</td>
<td>0.5</td>
<td>0.4</td>
<td>0.3</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>6.8</td>
<td>5.9</td>
<td>5.7</td>
<td>5.8</td>
<td>5.7</td>
<td>5.6</td>
<td>6.1</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td>25.5</td>
<td>23.3</td>
<td>21.8</td>
<td>22.9</td>
<td>24.1</td>
<td>28.5</td>
<td>33.6</td>
</tr>
</tbody>
</table>


Singapore is more representative of an immigration country than Malaysia, according to Table 4. In 1970, it was estimated that 25.5% of the population were comprised of migrants but by 1980 there was a slight decrease of almost 4% to 21.8%. After 1980, migrants as a segment of the population continued to grow. However, this was more pronounced between 1990 and 1995, as the percentages of migrants increased by more than 4%, from 24.1% to 28.5%. This period coincides with the IMS-GT and
greater sub-regional integration. From 1995 to 2000, migrants constituted a much larger percentage in Singapore as there was an average 5% increase from 28.5% to 33.6%. By and large, foreigners comprise a huge segment of Singapore’s total population. One out of three people residing in Singapore are from another country. When compared with Malaysia, Singapore attracted larger numbers of migrants. There was continued growth in the percentages of migrants in each country, even after 1997. However, by 2000 Singapore had an estimated 28% more migrants in their country than Malaysia.

Summary

The data compiled from Indonesia, Malaysia, and Singapore shows that among them, there was a relatively consistent expansion of both economic development and migration in the region. Industrial export strategies taken by each country were beneficial for economic development. The accumulation of GDP per capita and FDI shadowed one another in this process, as increases of the former were met by increases of the latter. Slower growth was characteristic of the early period of ASEAN regional integration from 1970 to 1980. Malaysia, followed by Indonesia, slowly grew during this period, while Singapore gained much more momentum. Growth in GDP per capita was more modest, as well as the accumulation of FDI, with Malaysia being the exception for FDI inflows since it experienced a near ten-fold gain of investments. This can be attributed to the early strategy of export promotion in 1969 by the UMNO-MCA-MIC coalition government and the passage of the Investment Incentives Act for the development of FDI
manufacturing (Howell & Palmer, 1997). Coinciding with growth in economic development, migration flourished within the region. Migration outflows of Indonesian workers, relatively low in the beginning, increased to the countries of Saudi Arabia, and to its neighbors Malaysia and Singapore from the 1974-1978 to 1979-1983 periods. After Saudi Arabia, the highest numbers of Indonesian workers were isolated in Malaysia, with more modest numbers migrating to Singapore.

It was not until after 1990 that rapid economic development and more aggressive flows in migration became visible. Execution of the IMS-GT in the late 1980s and early 1990s, were instrumental for the achievement of their “tiger” status and the migration of foreigners. During this period, greater tax rates and incentives were granted to foreign corporations by Indonesia, Malaysia, and Singapore as a measure for spurring industrialization. GDP per capita and FDI inflows from 1990 to 1997 grew at a much faster pace than earlier periods.

Growth in GDP per capita was more modest in Indonesia but FDI more than quadrupled. An explanation for this is that much of the manufacturing industry was considered lower-value (for example, production of textiles). Moreover, the PNI-led government had a few specialized industries such as petroleum and steel that were highly protected (Rock, 2001). The economy became stronger, with GDP per capita nearly double of the gain experienced from 1970 to 1980. Migration flows of Indonesians to Malaysia and Singapore during 1989 to 1994 became much more pronounced than earlier periods, growing exponentially at very high rates. Malaysia’s GDP per capita was exponentially higher than Indonesia’s by 1997. However, both Indonesia and Malaysia
grew at nearly the same rate. From 1990 to 1997, Malaysia’s gain of GDP per capita was nearly double that of the earlier period, while FDI inflows were more than double during this period. Estimations of the migrant population relative to the total population in Malaysia were pretty consistent, with little change until after 1995 to 2000 when slight increases were indicated.

Singapore, well established as an operational hub for corporations spread throughout the region, reaped the most benefits. Already a core country within the local periphery of South-East Asia, its further economic development was unparallel to its neighbors. GDP per capita continued to grow and outpace gains made in 1980 during the 1990 to 1997 periods, and FDI inflows for 1997 were more than eleven-times higher than estimates seventeen years earlier. The proportion of migrants within the total population continued to positively increase after 1980, with greater gains after 1995. By 2000, it was estimated that more than 30% of the population was foreign, significantly higher than estimations of only an average of 6% for Malaysia.

On the whole, Singapore was superior in its economic growth and accumulation of foreign investments, and in the process it attracted significant amounts of migrants. The level of industrialization was the key to its success, as higher-value added industries were promoted, in stark comparison to Malaysia’s more mid-value added industries, and Indonesia’s lower-valued industries. This also aided perhaps in their ability to cope with the economic aftermath following the Asian Currency Crisis of 1997, as Indonesia experienced a rollback with GDP and FDI, while Malaysia rebounded relatively better, and Singapore was seemingly less affected. From the beginning, Singapore established its
dominance within ASEAN and the IMS-GT, and was more aggressive in its industrial-led strategies. Regional economic development transformed the economies of South-East Asia. Singapore transitioned into a core country, while the linkages it maintained with Indonesia and Malaysia influenced the spread of foreign investments within the region, their economic development, and migration.
CHAPTER THREE: SETTLEMENT AND MIGRANT RIGHTS

As a region, South-East Asian countries shared variable transitions: colonialism, independence, interdependence, rapid industrialization and migration. Indonesia, Malaysia, and Singapore benefited from regional economic integration and the IMS-GT. GDP increased alongside greater penetration of FDI. Simultaneously, intra-migration increased among the countries during rapid economic development. The surge of migrant workers among these countries gave rise to important consequences within each country. As migration flows increased, reports on human rights violations against migrants comparably went on the rise. It is hypothesized that when comparing the South-East Asian countries, those that are more state-centric in their immigration policies are more likely to place greater restrictions on the rights of migrant workers.

Each country promoted their “Asian values” of economic development, rendering human rights obligations as an afterthought. Often migrants find work in the “tiger economies” that are considered “3D jobs,” these are dirty, dangerous and difficult (Castles & Miller, 2003, p. 161). Activities of migrants are limited to some extent, as increasingly foreign workers are not integrated, subject to ostracism, and lacking basic representation in freedom of association and collective bargaining. The international context for migrant rights is examined first, which is then followed by domestic policies and the availability of institutions that are in place that look to secure settlement and better working conditions. Furthermore, reports on human rights violations of migrants are explored from a variety of sources.
Distinction of Human Rights

The notion of “migrant rights” has gained considerable attention in recent years within the international human rights regime. The purpose of human rights documents by intergovernmental organizations, most notably from the United Nations (UN), was the solidification and codification of previously conceived norms and informal law. The creation of the UN Charter and the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, as well as multitude of other conventions were efforts by member states of the UN to promulgate a universal standard of fundamental rights and freedoms. These international human rights documents helped generate a sense of community that each member state was to respect the rights of their subjects whether citizens, permanent residents, or visitors, irrespective of political and economic differences. Despite the purported “human rights regime” that was a byproduct of these efforts made by a multitude of member states (typically Western industrialized countries), there remains a gap in the ratification and the enforcement of these instruments by developing countries.

Of the various documents that address human rights, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) remain at the forefront of many debates at international forums. Typically, countries branch out into two groups which correspond with their official positions on the priority and enforcement of these two documents (Brown, 2000, p. 5). Disagreements over these documents are often visible at UN forums, with Western states aligned on one side and Eastern states aligned on the other. Potential
reasons stem from the nature of the rights themselves. Some human rights are considered to constrain the behavior of a national government, while others are viewed as requiring a more active effort by the national government for its fulfillment.

Civil and political rights found in the ICCPR are regarded as *negative rights*. These are considered to be rights that states have a duty to uphold, which include the rights of persons and minority groups against the power of governments (Brown, 2000, p. 5). Economic, social, and cultural rights represent the opposite in the ICESCR, they are regarded as *positive rights* that include the right to food, shelter and housing, the right to education, the right to employment and employment protection, and the right to join trade unions. These rights involve a state’s responsibility to provide an individual’s basic human needs and involve a positive duty to meet them by available resources (Foster, 2006, p. 9). It requires the establishment and implementation of welfare benefits by a state. The notion of positive rights such as equality, employment, and labor opportunity requires what Nozick (1975) terms a “substructure” of materials and action but other people and actors may have rights and entitlements over them. Generally speaking, these rights are typically violated on a more systemic level.

The delineation of rights, in either the negative or positive camps is typically accepted as a partial explanation for why labor violations persist in developing countries. Without government observance and action to promote migrant worker rights, violations against migrants will continue. In Asia, including South-East Asia, governments do not put much effort into providing migrants with materials to secure their livelihood. More telling of these governments is that even less effort is made for defining or protecting
basic human rights for a larger segment of their own national population. Acknowledgement of essential international human rights instruments or more specifically targeted provisions for the rights of migrant workers are not main priorities for the governments of Indonesia, Malaysia, and Singapore. Even less of a priority is the creation of domestic policies and institutions aimed at promoting settlement and basic worker rights.

**Observance of Migrant Rights in South-East Asia**

With the onset of complex migration systems and regulation trends by various governments, there was a growing need among the international community to acknowledge a basic set of standards for migrants to mitigate the negative side-effects of globalization. This prompted the creation of various international instruments to better safeguard the protection of migrants against xenophobia-motivated discrimination in receiving countries. Early instruments from the International Labor Organization (ILO) include Migration for Employment Convention (No. 97) of 1949; and the Convention Concerning Migrations in Abusive Conditions and the Promotion of Equality of Opportunity and Treatment of Migrant Workers (No. 143) of 1975.

Other instruments were implemented as an attempt to protect against discrimination in specific fields. These include the ILO Convention (No. 111) Concerning Discrimination in Respect of Employment and Occupation; and the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Convention
against Discrimination in Education (Wolfrum, 1998, p. 186). The most encompassing of all measures is the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families of 1990, which extends rights to migrants in their employment and labor conditions, as well as their families in territories from which they reside.

According to the UN Office of the Commissioner for Human Rights (2004), governments in Indonesia, Malaysia, and Singapore have yet to take a strong stance on protecting migrant workers and ratify the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families of 1990. Montgomery (1998) finds in his study of regional human rights commitments that there is a general degree of lower commitment among Asian countries in the affirmation of human rights documents, when compared with other regions including Latin America and Europe (pp. 320-321). Asian states have a preference for distancing themselves from Western notions of human rights.

Despite the existence of international instruments, the incidence of developing countries ratifying basic covenants and even specific conventions, including those in South-East Asia, are relatively few. The ICCPR has not been ratified by Malaysia or Singapore. Indonesia is listed as assenting to the document in September of 2006 but no formal ratification or signature has since been made. Furthermore, the ICESCR, which specifies state protection of economic, social, and cultural rights, has not been ratified by Indonesia, Malaysia, or Singapore. Commitment is low among all three countries for the
acknowledgment of international human rights standards, including the rights of migrants and migrant workers.

The issue of the protection of migrants is a tenuous subject at best for the South-East Asian countries of Indonesia, Malaysia, and Singapore. In 1995, *The Straits Times* reported that labor ministers of ASEAN were united in finalizing their stance on the right to economic development in a future meeting, as there were some recent attempts by some developed [Western] nations to set a social clause in trade agreements (Hua, 1995). The pressure on ASEAN countries by Western governments concerns their failure to meet ILO labor standards such as workers' rights and the proscription of child labor, which led to threats of blocking market access. Despite these efforts, little has been done to prevent human rights abuses of foreign workers within the region. Domestic policies by state governments are crucial for explaining how migrants are increasingly marginalized among the native population.

**Immigration and Responses to Settlement**

Across the board, migrants that find work in rapidly industrializing countries like those found in South-East Asia are often subject to substandard working conditions. Illegal immigrants that are without contracts from foreign employers are often confronted with the worst conditions when compared with their legal counterparts. Generally, immigrants find themselves in positions of hostility and exploitation, faced with difficulties assimilating or integrating into their receiving countries. While there has been
shared growth in industrialization and migration within South-East Asia due to historical linkages, there still remains some variation among Indonesia, Malaysia, and Singapore in governmental response to migrants.

As Indonesia is primarily an exporter of foreign labor, the domestic policies of the immigration countries of Malaysia and Singapore are emphasized. Domestic policies are examined for how the enactment of foreign labor and immigration policies has contributed to restricted settlement. Both Indonesia and Malaysia manage their foreign workers through a complex and tightly restrictive immigration policy. Indonesia’s policies for the protection of their citizens abroad are also explored. Moreover, resources provided by the governments of Malaysia and Singapore through domestic institutions are examined for whether they promote or hinder the rights of migrants.

Malaysia

Malaysia’s foreign labor policy was one that focused on permitting the entry of unskilled and semi-skilled foreign labor in order to meet short-term needs and labor shortages. The lack of a long-term foreign labor policy reduced incentives for corporations to upgrade technology, skill intensity, and organizational training (Pillai & Yusof, 1998, p. 134). Large numbers of Indonesian unskilled workers entered the labor force, filling jobs that were unskilled in agricultural, construction, and manufacturing sectors. Skilled and semi-skilled workers were typically exported to neighboring countries including Singapore, while unskilled workers were mainly imported (For
example, see Pillai & Yusof, 1998). This became more pronounced after 1997, as Malaysia was inundated by illegal migrants, by some estimations reaching near a million.

The major laws governing immigration in Malaysia are outlined in the Immigration Act of 1959/1963, the Passport Act of 1966, and the Employment (Restriction) Act of 1968 (Ahmad, 2003, p. 143). The two acts outline the institutional framework that deals with legal foreign workers and the implications for illegal foreign workers. The Immigration Act established a permit system, while the Passport Act established a law requiring that all immigrants maintain a passport to officiate their legal entry. Foreign workers are permitted into the country through a permit system. These include a visit pass for temporary employment, a visit pass for professional employment, and an employment pass, which are firm- and job-specific (Ruppert, 1999).

Unskilled workers are offered temporary employment. Immigrants must apply for a permit with perspective employers, although there are age restrictions and nationality restrictions. Normally, those between the ages of 18 and 45 are able to apply for a permit (Ruppert, 1999). Those applying for temporary permits in domestic or household employment are extended to immigrants from Indonesia, the Philippines, and Thailand, however, temporary employment in manufacturing firms also extended to immigrants from Bangladesh and Pakistan (Ruppert, 1999). Preference for temporary employment is given to foreign laborers from South-East Asia and South Asia. These measures assure that settlement is restrictive. Consequently, more temporary permits are given to migrants within the region that are unskilled.
The scale of permanent settlement of Indonesians and other migrants in Malaysia is not known. The Malaysian newspaper, *The Star*, reported a meeting of the Johor State Assembly in December 1995, where it was claimed that there were about one million Indonesians in that state alone (as cited in Asia Pacific Migration Research Network [APMRN]). According to Hugo (2007), significant numbers of unskilled labor migrants settle permanently in Malaysia, but many do not become legal residents as permanent settlement of unskilled Indonesians is opposed. Malaysia has taken a strong stance against foreign workers that continue to reside in the country after visas have expired or those working without legal permits.

A number of measures implemented by Malaysia over the past few decades failed to curtail illegal migration or protect the rights of migrant workers. These included the Medan Agreement of 1984, which introduced regulations for recruiting Indonesian domestic workers and plantation workers; a November 1991-June 1992 amnesty for undocumented workers that promoted integration and settlement; and a 2002 amendment to the Immigration Act that established severe punishments for immigration violations (APMRN). Malaysia has long since made it a crime for undocumented migrants to work and reside without a work permit or visa. Those found guilty of an offense against the Immigration Act are liable for fines and/or imprisonment for a term of five years (Ahmad, 2003, p. 125). However, the non-governmental organization Human Rights Watch (2004) indicates that caning and physical abuse is often used as a method of punishment.
The Straits Times in Singapore has documented numerous cases of foreign workers there were subjected to violence by the local population and by immigration authorities in Malaysia. Massive influxes of Indonesian illegal labor within Malaysia were common, due to a hard-hit Indonesian economy after 1997. This prompted the embassy, along with support of the government in its proposal to “mete out severe punishment to illegal immigrants and middlemen, including whipping” (“KL-bound illegals,” 1998). Indonesia took different approaches in curbing its citizens from illegally migrating to Malaysia, by simply rounding them up in naval boats and/or enforcing the cost of deportation upon individuals. According to Human Rights Watch (1998), the PNI-led government has not done an adequate job of ensuring the rights of their own citizens traveling to host countries for work, including Malaysia, as potential workers are financially exploited by recruitment agencies and corruption within the government ranks. More disconcerting is the charge that often there is complicity among corrupt police, immigration, and other officials for allowing workers to leave without proper visas and documentation.

Singapore

Foreign labor policy in Singapore is similar to measures taken by Malaysia, as it functions through a permit system. The Immigration Act of 1987 institutionalized regulations for the issuance of permits, while the Employment of Foreign Workers Act sets guidelines for work permit holders and their employers. They are required to abide
by a set of immigration and labor regulation. The Ministry of Manpower (MOM) is charged with overseeing the issuance of permits. There are work permits for unskilled and low-skilled workers, the employment pass, and the “S” pass (Asian Development Bank, 2006, chap. 2). Permits have restriction requirements of age and nationality for certain industries. Moreover, there are dependency ceilings and levies instituted for different industries. The former involves the PAP-government balancing the proportion of foreign workers to local workers in any given industry, while the latter requires employers to pay levies to the state for the use of foreign labor. By far, more permits are issued for unskilled and low-skilled workers as migrants are viewed as temporary solutions to shortages in labor when the market is doing well and long-term immigration is opposed.

Unskilled or low-skilled labor are strictly regulated by the PAP-led government through the immigration policy which issues work permits, the dependency ceiling, and employer levies (Yeoh, 2004). Work permits are issued to foreigners between the ages of 18 and 45 for temporary employment in the construction, manufacturing, domestic, marine, and low-skilled service industries, usually for two years but renewable up to a cumulative of four years (Ruppert, 1999; Asian Development Bank, 2006, chap. 2). These permits are limited to citizens from numerous Asian countries, including Malaysia and Indonesia. Heavier levies are imposed upon unskilled and low-skilled industries, as a method to discourage over-reliance on cheap foreign labor (Ruppert, 1999). Both the employment pass and the “S” pass have no restrictions on age and nationality. Those who hold the employment pass have acceptable degrees, professional qualifications, or special
skills and are allowed to bring their families with them (Ruppert, 1999). The “S” pass holders are considered middle-range in their skills with post-secondary education. There are little restrictions for foreigners applying for the employment and “S” passes since there is no maximum age requirement or maximum duration of employment. However, they are subject to the dependency ceiling set by the MOM and employer levies.

The majority of migrant workers that reside in Singapore are in domestic occupations such as care giving and cleaning. Approximately 150,000 domestic workers come from Indonesia, the Philippines, and Sri Lanka (Human Rights Watch [HRW], 2005). Domestic workers in Singapore are regulated to some extent but suffer the brunt of work-related abuses. These jobs are largely occupied by migrant women, who are considered the group most at risk. They are excluded from the Employment Act, which was implemented to protect labor rights, and from the Workmen’s Compensation Act. However, other skilled and unskilled workers are covered. Measures included in the Employment Act guarantee a minimum of one rest day per week, a maximum of forty-four work hours per week, limits on salary deductions, and fourteen days of paid sick leave (HRW, 2005).

Confronted with the situation of foreign domestic workers, Singapore had addressed the need to afford some basic protection for these migrants through various reforms. The Penal Code in 1998 was amended to increase the penalties applied to employers convicted of physical abuse, sexual abuse, or wrongful confinement of domestic workers (HRW, 2005). The PAP has also introduced other measures that provide additional clout on their protection. These include an accreditation program for
employment agencies and orientation programs for new employers and new employees. Furthermore, a new department in the MOM, the Foreign Manpower Management Division (FMMD), was instituted for the sole purpose of concentrating on migrant workers and their wellbeing.

**Human Development**

Migrants that find work in Malaysia and Singapore are confronted with restrictive immigration policies through the permit system, employee ceilings, and levies. While there are a variety of restrictions, more so for unskilled and low-skilled labor, foreigners continue to migrate to these countries. The restrictive labor and immigration policies have made settlement virtually impossible with the exception of the most highly qualified. Largely, a long-term labor force policy that would promote settlement and better standards of living for migrants is absent. The status of migrant workers in these host countries is one of marginalization, despite the measures taken by governments such as the PAP in Singapore. The centralized governments of Malaysia and Singapore, and even Indonesia, have promoted restrictive immigration policies for the fulfillment of economic objectives, creating a questionable human rights environment.

Table 5 displays the human development index (HDI) for the countries of Indonesia, Malaysia, and Singapore by year. This indicator is used to measure quality of life within a country, and also measures its impact by domestic (economic and social) policies through indices of GDP per capita, education, and standard of living. HDI gauges
the overall environment that migrants workers are confronted with, which could possibly explain their treatment which is elaborated in the next section. A higher number denotes a better quality of life for its residents, while a lower number shows the exact opposite. According to the UN, a HDI of 0.8 or more is considered to represent high-development, between 0.5 and below 0.8 represents middle-development, and below 0.5 is considered to represent low-development. It is expected that HDI in Singapore is at the high-end of the spectrum while Indonesia is at the low-end.

Table 5
Human Development Index (HDI) by Year, among Select South-East Asian Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>0.471</td>
<td>0.533</td>
<td>0.626</td>
<td>0.692</td>
<td>0.728</td>
<td>107</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.619</td>
<td>0.662</td>
<td>0.725</td>
<td>0.790</td>
<td>0.811</td>
<td>63</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.729</td>
<td>0.762</td>
<td>0.827</td>
<td>n.a.</td>
<td>0.922</td>
<td>25</td>
</tr>
</tbody>
</table>

Note: Figures not accounted for are not available, they are designated as n.a. Source: United Nations (2007).

A discernable trend for all three countries is that each have continually made progressions in their overall quality of life or human development. Beginning with Indonesia, Table 5 shows that in the first fifteen years from 1975 to 1990, HDI grew from a low development of 0.471 to the lower middle-range category of 0.626. 1980 marked the transition to middle development. Malaysia was not quite as badly situated as
Indonesia. From the start, Malaysia was considered middle-development, however, HDI slowly increased from 0.619 to 0.662. The more exceptional progression was from Singapore. In 1975, HDI was in the high middle-range of development with 0.729, which increased to 0.827 by 1990, showing that quality of life was categorically similar to a high-development country. This period of positive growth in HDI corresponds with ASEAN integration and the beginnings of IMS-GT.

From 1990 to 2005, Table 5 shows that quality of life improved at a much faster rate; seemingly there was significant recovery after the Asian Currency Crisis of 1997 for these countries. Indonesia remained a middle-development country with improvements from 0.626 to 0.728. Malaysia was more successful as it increased its HDI to 0.811 from 0.725, establishing itself as a lower-end, high-development country sometime after 2000. Singapore continued to be exceptional in its high-development, its HDI increased from 0.827 to 0.922. In 2007, the UN ranked all of its 192 member states based on HDI. In this list, Indonesia is ranked at 107, Malaysia at 63, and Singapore at 25. Quality of life is considerably higher in Singapore, followed by Malaysia and Indonesia.

Realities of Migrant Rights

Despite indications of quality of life through the HDI, migrants in South-East Asia face harsh working conditions and are subject to human rights violations. The ILO (1999) has documented numerous cases of gross human rights abuses in Indonesia, Malaysia, and Singapore, where foreign workers were dramatically underpaid compared
to local populations, worked in unsafe conditions, did not enjoy freedom of movement, freedom of association, the right to form and join trade unions, or were subjected to violence by their employers. This is typical of newly industrializing countries that face labor shortages with the expansion of new industries which require unskilled to low-skilled workers. As a result of state-centric policies in both Malaysia and Singapore aimed at curtailing settlement of foreign workers, especially those that are unskilled or low-skilled, many reports surfaced of gross human rights violations from the U.S. Department of State and non-governmental human rights organizations. The labor strategies of these governments only solidified that the worth of migrants are in their human capital or what they can produce.

Malaysia, long known for restrictive policies toward foreign workers, has made great strides to circumvent the issue of protection. The right to form and join trade unions and engage in collective bargaining is considered by many, including the ILO and the UN, the most basic rights of workers. These are often regarded as essential rights for laborers in developing countries, from which other rights flow (Human Rights First). Furthermore, these rights are seen to increase the likelihood that other rights violations are reported. Foreigners that occupy menial jobs under temporary work permits in agricultural, industrial, and service sectors are barred from joining trade unions (US Department of State, 2000).

The Malaysian Trade Union Congress (MTUC), an association that represents trade unions for all major industries and sectors with approximately 500,000 members, has made continual claims on behalf of foreign workers that they should be permitted to
unionize. According to the US Department of State (2000), the government’s response to the MTUC has been constant, that it does not “encourage” foreign workers to join unions because labor laws are adequate to protect their interests. There is a labor adjudication system in place, which allows the government to investigate complaints of abuses and prosecute labor contractors for violating labor laws. Many foreign workers are not permitted to use this system, especially those in construction and other sectors, and illegal aliens (US Department of State, 2000).

The detention of illegal aliens is a frequent occurrence in Malaysia. Many illegal aliens, including those who find work without permits, are detained without a trial or a hearing due to immigration laws. Those who are detained can be held for extended periods before deportation in detention centers, often sequestered from the rest of the population (US Department of State, 1998). After the Currency Crisis of 1997, and massive flows of illegal immigrants were common. Many reports surfaced that tens of thousands of them, the majority from Indonesia, were held in detention camps. Asylum is discouraged, particularly to those deemed to be “economic migrants.” Illegal aliens that are found are imprisoned but many reports indicate that dozens were subject to brutalities, gun shots, and even death at the hands of Malaysian police (Amnesty International, 1998).

As method for stricter management over migration flows, a 1997 amendment to the Immigration Act makes provisions for stricter punishment of individuals who are found to employ and harbor illegal aliens. Heavy fines, imprisonment, and whipping up to six strokes are punishment for offenders (Ahmad, 2003, pp. 145-146). Steps were
taken by the government, if only in principle, to ratify the 1997 ILO Convention (No. 87), allowing for freedom of association and the right to organize, and the Convention (No. 98) on the right to organize and collective bargaining. Migrant worker contracts often explicitly require foreigners to renounce joining any union or "social organization" and the government does nothing to prevent the inclusion of these clauses (HRW, 1998). Little has been done to improve their circumstances. It is often the case that local populations blame crimes, both petty and violent on foreign workers. In July 2003, the Malaysian human rights commission, SUHAKAM described that three hundred out of 1,485 women in Kajang Women’s Prison were Malaysian (HRW, 2004). The rest were foreign women, including migrant workers, and trafficking victims.

While extremely industrialized in comparison to Indonesia and Malaysia, Singapore has fared slightly better in its protection of migrant workers. Through various immigration and employment laws, legal foreign workers are able to join trade unions, with the exception of those that find employment in temporary unskilled or low-skilled positions. No real wage discrimination exists, however, most that find themselves in low-wage and low-skill jobs are often required to work long hours and some live in substandard conditions, such as construction workers that live on-site (US Department of State, 1999). Most foreign workers in lower paid positions are not covered by the Employment Act, which sets legal standards for the workweek (not to exceed 44 hours) and one day of rest each week. They are ineligible for limited legal assistance that is extended to more skilled workers; however, the Ministry of Manpower provides mediation services for all employees in Singapore (US Department of State, 1999).
A key problem in Singapore is the treatment of domestic workers, who mainly originate from the countries of Indonesia, Malaysia, and Sri Lanka. In their contracts, maids are required to remain in their employers homes even when they are allowed a day off, while some contracts specify that they are allowed only one day off per month (US Department of State, 1999). This leaves many women vulnerable to mistreatment and abuse as they frequently live and work isolated from the rest of society, in their employer’s homes. Despite that the Penal Code (1998) provides for the punishment of individuals found abusing a maid through fines and imprisonment, numerous reports of these activities continue to surface. The PAP-led government has been reluctant to legislate the terms and conditions of work for domestic maids. Overwhelmingly, there has been a preference to regard labor standards as private agreements between employers and employees (APRMN).

Management of illegal labor inflows has increasingly become an important issue. Refugee status has been denied during economic hard times. Under Singaporean law, illegal aliens are prosecuted and if found guilty they are subject to public punishment and repatriation. The PAP has taken more active steps to intercept those individuals by boat or across the causeways linking Singapore and Malaysia (US Department of State, 1999). As a general matter, often illegal aliens with more “preferable” nationalities are allowed to make claims for asylum, which is to be determined by the United Nations Commissioner for Refugees (UNHCR). Individuals that are considered more desirable are those that generally have more skill, excluding many Indonesians and Malaysians.
Summary

The issue remains that the rights of migrants must be promoted by their host governments and resources allotted to them for their fulfillment. The refusal of many South-East Asian countries to observe human rights instruments of the ILO and UN is indicative of the priority given to human rights in general. Specifically, the interventionist labor strategies of the governments of Indonesia, Malaysia, and Singapore only solidified the notion that the worth of migrants in the world economy is characterized by their human capital or what they can produce. There is no acknowledgement for the contributions made by foreign workers to society. This has had important consequences on immigration and employment policies within Malaysia and Singapore as destination countries, resulting in restrictions on settlement and violations of basic rights.

As a source of migration, Indonesia has been slower than other countries within South-East Asia, including the Philippines, in the development of effective policies and programs to protect labor migrants (Hugo, 2007). This is attributed to a singular focus on the exportation of labor. There were late attempts to remedy the situation of abuse targeted against Indonesian migrant workers. However, these have been largely ineffective. More troubling is the reported corruption among Indonesian border officials that allow for migrants to leave illegally. Foreign workers that arrive illegally in Malaysia or Singapore have a tendency to get lost in the system, which greatly affects their well-being. Responses to illegal foreign workers have been harsh from Singapore and even more so from Malaysia.
While Malaysia and Singapore serve as host countries for foreign workers throughout the region, their immigration and employment policies largely reflect their individual labor strategies that are in sync with the objectives of ASEAN and IMS-GT. Temporary work is seen as a panacea of sorts for labor shortages in their economies. Both Malaysia and Singapore regulate the flow of migrants through their three-tiered permit system, which places immense restrictions on individuals hoping to settle. Long-term labor strategies are absent, especially for unskilled and low-skilled workers. Although preference is given in Singapore for the issuance of permits to Indonesians and Malaysians, and Indonesians for Malaysia, these workers generally find work in lower-skilled, temporary positions. Temporary workers are contracted for short durations and are not allowed to bring family members with them, further restricting any aspirations for settlement. As another measure to prevent settlement, Human Rights Watch (2005) reports that many temporary female workers, who are found pregnant in Singapore, irrespective if the father is a citizen, are immediately deported. Furthermore, these women are forbidden to marry a Singaporean. The restriction of settlement is a main priority for these countries.

The rights of unskilled and low-skilled workers are the most limited in both Malaysia and Singapore. The essential rights to join trade unions and engage in collective bargaining are denied. Malaysia is charged with being more irresponsible in its treatment of migrants, despite ratification of the 1997 ILO convention. Numerous reports by the U.S. State Department and non-governmental organizations find that migrant workers in Malaysia are continually subject to substandard working conditions, abuse by employers,
violence by citizens, and human trafficking. Singapore has a better human rights record. Several domestic policies and institutions were established to monitor their working conditions and provide redress for violations, including the punishment of employers who engage in flagrant abuse of foreigners. While the PAP-led government overwhelming dominates all spheres of activity in Singapore, it has made efforts to promote labor standards for its foreign workers, as indicated by the overall high quality of life reflected through HDI. As a point of contention to the idea that Singapore is viewed as a champion of the rights of migrants in South-East Asia, non-governmental organizations were not given permission to monitor its human rights environment until 1997. Any instances of gross abuse towards migrants simply cannot be accounted.

The regional linkages shared among Indonesia, Malaysia, and Singapore influenced not only economic development and migration patterns, but domestic policies that marginalized foreign workers from the rest of the local population. Their individual labor strategies influenced restrictive immigration and employment policies, which consequently affected the rights of migrants. While all three countries were state-centric through their interventionist policies towards foreign labor, Singapore with huge populations of foreign workers created domestic policies aimed at promoting better working standards for them. While it may seem that the exact opposite was expected, Singapore was a core country in the local periphery of South-East Asia. Core countries have the tendency to be more industrial and more democratic in its treatment of its workers.
CHAPTER FOUR: CONCLUSIONS

Migration is a topic that will continue to endure and present complications, as economic development or the occasional recession prompt inflows and outflows of labor. It is also one that is commonplace in history. From the end of the Middle Ages, voluntary or forced migration of peoples was heavily influenced by conquest, war, and nation-building. The movement of Gypsies, Jews, and Muslims to Europe are examples of past migrations to continental Europe. These people were once subject to prejudice and violence by host societies, but eventually assimilated despite incidences of marginalization. As migrations continue in the contemporary world, many of these same challenges are faced by migrants workers (both legal and illegal alike), with more hurdles to be overcome in countries undergoing economic transitions. While many researchers have emphasized the impact of migration upon Western industrialized countries like the United States or member states of the European Union, there is a relative dearth of contemporary research on migration in the developing world. The evolution, circumstances, factors, and conditions of migratory flows and the lasting impacts they have on states and societies are in need of careful examination.

A migration systems framework drawn from Castles and Miller (2003) and similar theorists was utilized in this research for the sole purpose of examining how structural and individual factors have influenced regional migration and the conditions migrant workers face in their host environments. Early on, it was proposed that any single theory would not fully capture the dynamic nature of migration, including its causes or
consequences within a country or a series of countries. When research questions center on a topic that involves the complex parts in relation to the whole, a comprehensive approach that incorporates different levels of analysis can only strengthen findings in a study.

As addressed at the outset, economic, historical-structural and transnational approaches are prevalently used by researchers for explaining only certain aspects of migration, rather than addressing it as a continuous process. Although each approach provides varying perceptions of what drives people to migrate and any resulting implications, the individual weaknesses of each outweighed many of the strengths inherent in their main arguments. Rather, a composite theoretical formulation that incorporates their strongest elements serves as the basis for this research, and forms the basis for migration systems theory.

Various elements from the most dominant theories are found in migration systems theory, which help to frame its main argument that the interaction between macro- and micro-structures is considered important for determining migration, settlement, and migrant rights. These include the priority of historical and economic linkages among countries for determining inter-state relations in worlds-systems theory, labor strategies that attract labor in “push-pull” theory, and the increasing mobility of corporations and people in transnational theory. Macro-structures include the economic market, interstate relations, and state structures such as domestic policies (Castles & Miller, 2003). Micro-structures include domestic institutions that provide resources for migrants or social networks that support migrants through “social capital” (Cohen, 1996).
Wallerstein’s (1974) historical categorization of economic regions in a system driven by capitalism underlies much of the structural analysis for the South-East Asian cases of Indonesia, Malaysia, and Singapore. As offered by Castles and Miller (2003) historical, economic, and political linkages are crucial for determining a migration system. These include political influence, trade, investment, and social or cultural ties. In this study, the historical and economic linkages, in addition to political linkages, are examined. These linkages cover the period of colonialism to regional integration in South-East Asia. From the very beginning, these countries maintained close relationships with one another, which was beneficial to their capitalist development. The contention in world-systems theory that core-periphery and core-semi-periphery relationships help to shape how states interact within one another in a region is an important lens for understanding regional economic development and migration.

The establishment of the Association of South-East Asian Nations (ASEAN) in 1967 prompted regional economic transitions for the countries of Indonesia, Malaysia, and Singapore. Rapid industrial-led growth and accumulation of foreign direct investments were considered main ASEAN objectives, which was to be supported by the domestic policies of its member states. This promulgated South-East Asia as a semi-peripheral region. Mobility or change in the position of a country is possible under world-systems theory. Change is influenced by the interaction between a country’s national political economy and the world economy; however, domestic policies are considered significant in this process (Lange, 1985, p. 183). The industrial-led economic policies of Indonesia, Malaysia, and Singapore were influential for their economic transitions. Their
close linkages with each other would lead to a localized outgrowth of regional integration, the Indonesia-Malaysia-Singapore (IMS-GT) in the late 1980s and early 1990s. The IMS-GT promoted more aggressive industrial-led strategies, including the procurement of foreign direct investments. This period was marked by rapid economic development. Early on, Singapore established its dominance in both ASEAN and the IMS-GT. Singapore became a “core” among is neighbors within a local periphery of the semi-periphery. The IMS-GT helped shape this contemporary yet localized core-periphery relationship. Both Indonesia and Malaysia were extremely dependent on Singapore for resources and capital, though Singapore relied on them primarily for labor. While regional integration prompted economic development, during this period migrations within South-East Asia became more pronounced.

According to migration systems theory, a country or a group of developing countries within the semi-periphery can demonstrate characteristics similar to those within a core region. Characteristics of a “core” country are high levels of economic development and high immigration rates (Castles & Miller, 2003). Singapore is considered by many as a major destination for foreign labor, while Indonesia is a major exporter of labor. Malaysia both imports foreign labor and exports its own.

A main question raised early in this study was whether regional economic development contributed to migration flows and to labor rights abuses of migrants. It was hypothesized that rapid economic development, alongside increasing levels of corporate investments, contributed to Singapore’s position as a core country among its neighbors, which led to greater flows of migrants within the region. GDP per capita and FDI inflows
were examined as independent variables to gauge levels of economic development within the semi-periphery. Indonesian migration outflows from the Ministry of Manpower (MOM) were explored since it is a primary exporter of labor, while estimates of migrant populations relative to the total population from the United Nations were examined for Malaysia and Singapore. Insufficient data collection taken by the governments of these two countries makes estimations of migration inflows or outflows impossible. However, as destination countries for migrants, changes in the percentages of the migrant populations were used to capture trends over time.

As mentioned earlier, the linkages shared among Indonesia, Malaysia, and Singapore promoted regional integration and rapid economic development, which influenced migration trends. Alongside regional development, the creation of national policies by their governments that were aligned with promoting aggressive economic strategies was important for industrialization. With this in mind, domestic policies established during industrialization included controls on the labor market, which were reflected in immigration and employment policies. The economic success of Indonesia, Malaysia, and Singapore can be partially attributed to interventionist and state-centric policies by their governments. However, these policies considerably impacted settlement of migrants and their rights. It was also hypothesized that the more state-centric a country’s immigration policies are the more likely that greater restrictions are placed on migrant workers’ rights. As an independent variable, state-centrism measures state regulatory controls through domestic policies that curb immigration, settlement, and workers rights. In the absence of a comprehensive measurement of human rights for the
dependent variable, HDI was used as an indicator for measuring the impact of economic policies on quality of life within each of the countries. Moreover, reports from the U.S. State Department, local newspapers, as well as non-government organizations were used to capture instances of human rights violations faced by migrant workers by their host governments.

What can be shown from the case studies of Indonesia, Malaysia, and Singapore in South-East Asia is that their early historical, political, and economic linkages positively affected rapid economic growth and in turn shaped migration and immigration policies. Regional economic development contributed to a surge in migration, while state-centric immigration policies contributed to the marginalization of migrant workers. Areas that are useful for capturing the full extent of the migration system within South-East Asia that cannot be explained by the hypotheses proposed in this study are the regional events leading to the Asian Currency Crisis of 1997, migratory movements from Indonesia, Malaysia, and Singapore to destinations outside of the region, the flow of remittances, return migration. These varying aspects of migration were not explored due to the confines of the theory used and the availability of data. In their absence, generalities can be made on how regional economic development influenced migration and the status of migrant workers.
Final Migration Systems Comparison of Indonesia, Malaysia, and Singapore

Each of the South-East Asian countries explored in this study experienced similar transitions from colonial dependence to independence. Regional integration in the late-1960s through Singapore-dominated ASEAN marked the departure of economic dependency from Western powers. The emergence of the IMS-GT by the late 1980s significantly contributed to greater economic development among the participating countries. Consequently, interdependence signaled the arrival of another form of dependency around a core power, Singapore, with Indonesia and Malaysia following as local peripheries within the semi-periphery.

Following the establishment of the Association of South-East Asian Nations (ASEAN) in 1967, the countries of Indonesia, Malaysia, and Singapore began their industrial transitions by focusing on export-oriented strategies. Indonesia and Malaysia pursued mixed semi-peripheral economies. These economies were based on semi-peripheral industrial-type export-activities (manufacturing), as well as the production of primary products (agricultural) (Wallerstein, 1985, p. 34). Largely lacking agricultural land for production and heavily reliant on entrepôt trade within Asia, Singapore underwent considerable industrialization among its neighbors in the semi-periphery. Concentration on higher-value technology industries, alongside regional dominance in South-East Asia launched Singapore as a predominant economic power within the region. Through a localized outgrowth of regional integration, the Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT), Singapore became a “core” among is neighbors within a local periphery of the semi-periphery. The IMS-GT helped shape the contemporary, yet
localized core-periphery relationship. Both Indonesia and Malaysia were extremely dependent on Singapore for resources and capital, while Singapore relied on them for labor.

At the national level, each government pursued highly interventionist economic policies that were congruent to the main objectives of ASEAN. These included the creation of regional policies to encourage economic growth, social progress, and cultural development (K.S., 2001, p. 21). Transitions to industrial-based economies followed throughout the 1960s and the 1970s, coinciding with the accumulation of capital through foreign direct investments from both Western and Eastern corporations, and specifically targeted national policies. Domestic economic strategies implemented by all three countries were aligned with the main principles of ASEAN. These measures provided the initial “pull” needed to attract investments in manufacturing and migrant labor, and in the process created an open market economy.

Early interventionist policies by the regimes of Indonesia, Malaysia, and Singapore were instrumental for spurring regional industrialization. Singapore’s PAP instituted the first Development Plan (1961-1964) and the Economic Expansion Incentives Act (1967) which gave the government a strong role in controlling labor and wages, provided tax concessions for corporate investments, and helped expand export-oriented industries. Similarly, both Indonesia and Malaysia sought out foreign direct investments. Under the PNI, Indonesia’s General Suharto shifted from agricultural based industries and import-substitution to export-oriented manufacturing. Credits were subsidized for state-owned development banks and enterprises. By 1969, Malaysia’s
party alliance of the United Malay National Party (UMNO), the Malaysian Chinese Association (MCA), and the Malaysian Indian Congress (MIC) resulted in the adoption of the twenty-year New Economic Policy (NEP). The NEP outlined the expansion of incentives for the development of foreign direct investment manufacturing, along the lines of the Investment Incentives Act. Subsequent measures of the NEP consolidated the state’s hold on business enterprises and resource allocation.

The early period of regional integration, from 1970 to 1980, was met by modest economic development for all of the countries. Indonesia and Malaysia slowly grew in GDP per capita and FDI. Malaysia accumulated more FDI inflows than Indonesia, which is attributed to the coalition government’s early strategy of export promotion in 1969 and the passage of the Investment Incentive Act for the development of FDI manufacturing (Howell & Palmer, 1997). Singapore gained more momentum in both GDP per capita and FDI. Migration outflows of Indonesian migrant workers increased during this period with top destinations being Saudi Arabia, Malaysia, and Singapore. The migrant populations in both Malaysia and Singapore did not grow. Rather, there was a slight reduction in their numbers but their estimates were consistent. Singapore had a high proportion of migrants in their country, when compared with Malaysia, with an average close to twenty-five percent. It would not be until implementation of the IMS-GT that economic development and migration flows became more pronounced.

During the late 1980s, creation of the IMS-GT expanded integration and engendered the formation of sub-regional dependency. Both a geographic unit and an economic concept, Singapore and its Government-linked companies (GLCs) provided the
infrastructure, financial reserves and management of development projects in Indonesia and Malaysia. It was in essence, a two-way relationship of Indonesia and Malaysia to Singapore. These projects focused on cheap, labor-intensive industries. Attracting foreign investments was a main objective of the IMS-GT, which was rigorously promoted through special tax rates and incentives.

From 1990 to 1997, the impact of IMS-GT on “tiger” growth was evident. Rapid industrialization became visible as GDP per capita and FDI inflows grew at much faster rates. Indonesia continued to have modest GDP per capita growth but FDI more than quadrupled from 1980. This is attributed to its focus on lower value-added manufacturing and highly protected specialized industries. Malaysia’s gain of GDP per capita was exponentially higher but growth rates of FDI remained nearly the same from earlier periods. Singapore was well established during this period as a hub of operations for corporations throughout the region. Its growth in terms of GDP per capita and FDI inflows were unparallel to Indonesia and Malaysia. Singapore’s economic development was comparable to many Western industrialized “core” countries.

Simultaneous to impressive growth in GDP per capita and accumulation of foreign investments, migration flourished. Outflows of Indonesian workers to Malaysia and Singapore grew exponentially from 1989 to 1994. In Singapore, the migrant population increased after the 1980s. Greater gains were visible after 1995, as more than a third of the total population was estimated to be migrants. Malaysia saw slight increases after 1995. Setbacks resulted after the Asian Currency Crisis of 1997. GDP per capita growth and accumulation of FDI slowed in Singapore, but it was able to recover by 2000.
Malaysia experienced retrenchment in both GDP per capita and FDI. Indonesia fared worst, experiencing a rollback in GDP per capita and negative FDI inflows. The IMS-GT increased the comparative advantage of these countries, supported the spread of transnational corporate enterprises, and promoted greater flows of migration within the region. Singapore experienced better economic success, comparable to Western Industrialized countries in terms of GDP, while Indonesia and Malaysia fared well in terms of reducing poverty and increasing industrial growth across the board.

The lasting impacts of the IMS-GT in conjunction with domestic strategies are visible. Singapore became a financial hub but unskilled labor flows continued to meet demands, especially in domestic service. Indonesia became an emigration country with large flows of people to fill unskilled and low-skilled jobs in Malaysia. Malaysia established itself as both an immigration and emigration country with marked inflows of labor, primarily from Indonesia which had cultural, ethnic, and linguistic similarities to its local population. Migratory flows continued even after the Asian Currency Crisis of 1997, which is evident by the spread of Indonesian workers throughout the region. It can be generalized that regional economic development had a positive impact on migration. The historical, economic, and political linkages established among Indonesia, Malaysia, and Singapore supported a system of intra-migration.
Settlement and the Realities of Migrant Rights

While the governments of Indonesia, Malaysia, and Singapore concentrated on economic development as a main policy priority, the rights of migrants were considered as an afterthought. Party-led governments such as those of the PNI, the UMNO coalition, and the PAP were committed to centralized policies for rapid economic development. Little commitment is given to the ratification of international human rights instruments, especially migrant-directed instruments from the United Nations and the International Labor Organization. All three countries viewed migration as a temporary fix for labor shortages. As immigration countries, the labor strategies of both Malaysia and Singapore promoted immigration and employment policies that were overtly state-centric and restrictive, which dissuaded long-term integration and legal settlement of their foreign workers. Consequently, these same policies reduced the attainability of basic work-related rights for migrants. As a main exporter of labor to these countries, Indonesia was slow and inefficient in its demand for greater protection of its workers abroad.

The labor strategies of Malaysia and Singapore were largely supported by their immigration and employment policies, which established guidelines for the issuance of permits to foreign workers. These policies regulated the flow of migrants within their countries. Temporary workers are favored as solutions to gaps in the labor market. Unskilled and low-skilled workers are restricted in certain positions due to age and nationality. Indonesians and Malaysians in Singapore and Indonesians in Malaysia are preferred for short-term contracts in menial jobs. This could perhaps be attributed to the fact that both Indonesia and Malaysia underwent economic transitions at much slower
rates. Both of these immigration countries did not want to be inundated by unskilled or low-skilled workers. Foreign workers that hold temporary work-permits are unable to apply for residency and are barred from bringing their families. They are marginalized from the rest of society. Settlement among the low-skilled is prohibited in Malaysia and Singapore, which makes exploitation possible and integration impossible. Inflows of illegal aliens, especially after 1997, were meted out by the governments of Malaysia and Singapore in the form of imprisonment and deportation. Some reports by the US State Department highlighted the use of violence towards these individuals. Moreover, illegal aliens hoping to apply for refugee status find it difficult to attain, and are often highly biased due to certain nationalities.

Increasingly these South-East Asian countries have become the subject of criticism by Western countries and non-governmental organizations for their treatment of migrants. Regional organizations, such as the Asian Human Rights Commission (AHRC) have also acknowledged that the conditions faced by migrants in their host countries need greater attention and action by governments to safeguard their economic, social, and political freedoms. The US Department of State, as well as Human Rights Watch and Amnesty International have documented numerous reports of differential treatment, substandard working environments, abuse, and violence towards migrants in Malaysia.

Singapore fared best in its human rights record, as more institutions were created for the oversight of foreign workers, especially for domestic workers. The more skilled migrants are extended legal assistance and the right to join trade unions. Moreover, measures were implemented to redress the growing problems of abuse targeted at female
domestic workers by their employers. However, both Singapore and Malaysia restricted the most basic working rights of foreign workers, the right to join trade unions and engage in collective bargaining, which were primarily directed at lower-skilled foreign workers. These rights are seen as essential for the promotion of all other rights, including decent wages, good working conditions, as well as others both relating to economic and non-economic rights (Human Rights First).

It is expected that the more state-centric a country’s immigration and employment policies, the more likely that settlement and the rights of migrants are restricted. In the case of Singapore, immigration and employment policies were restrictive but overall quality of life, reflected by the human development index (HDI) was considerably high. There were more domestic institutions at the disposal of migrants and better oversight for labor standards. Core countries have a tendency to have better standards of living and human rights records. Singapore’s HDI is considered in the high-development range, similar to those of many Western industrialized countries. On the other hand, both Indonesia and Malaysia are considered middle-development, with Malaysia faring better than Indonesia. Malaysia was just as restrictive as Singapore but fewer institutions were at the disposal of migrants.

Migrant workers in South-East Asia face a multitude of hurdles. The majority of them are not encouraged to legally settle and lack basic economic rights, such as decent wages and working conditions or even freedom of association. The most heinous of crimes are geared towards illegal foreigners but contracted laborers are often subject to similar situations. Despite the policy actions of governments from these South-East Asian
countries, migrants both legal and illegal are irrevocably part of an enduring system of linkages. While development has influenced the flow of migration, human right remains at a standstill. The issue of settlement is not likely to go away. Instead, trends point towards greater surges of migrations within many regions by individuals looking to better their situations. It is advantageous for these governments to take stock of migrants as social capital, rather than continually viewing them as just another exploitable resource within the global economy.

**Future Considerations for Migration**

The purpose of migration research within a case or set of cases is to gain a greater understanding of not only how it works but what lasting implications are visible. While many theories on past and current migration trends exist, these tend to narrowly focus on select areas of inquiry. It should not be forgotten that migration is a process (and a complex one at that), which incorporates various elements, actors, and different levels of analysis. Migration as a process implies that there is a system in place, which must be explored and understood in order to better explain its causes and consequences.

The emphasis given by researchers on the effects of migration in Western industrialized countries is extensive. Nevertheless, well-deserved attention to regions of the world that have undergone or are in the process of industrial transition is needed. These transitional zones are concentrated in the developing world. The challenges posed by global economic integration, increasingly permeable borders, and rising transnational
entities are felt by both developed and developing countries alike. Governments have begun to realize that they serve as “enablers” of migration in every sense of the word, national policies either in isolation or in conjunction with other states’ measures, contribute to the flow of peoples from one locality to another.

As maintained in this study, a regional approach towards migration has its merits, and helps to explain the mobility of people from and within a region. It also helps to explain how the structure of relationships among states can determine migration patterns. A single case study has its advantages, such as a more descriptive and historical appreciation for governmental and societal elements, and changes overtime. However, the single case study does not address how interstate linkages are instrumental in attracting large movements of migrant labor between and among countries. A regional approach can explain more effectively patterns of both economic development and migration.

Other areas for future consideration not considered in this study on migration systems can only strengthen the regional approach. Within the macro-structure of analysis, closer attention to trade flows disclosed by governments (where possible), as well as deciphering which countries get preferential trade relationships would prove beneficial. This could strengthen the assertion that the establishment of economic linkages among states influences both economic development and migration patterns within a sub-region. A closer examination of migrant agency in host countries, such as social and family networks would most likely support the argument that these micro-structures impact the transnational character of migrants. Furthermore, actual field
research in the form of interviews of migrant workers in a corporation owned by Singapore both within the country and within Malaysia could provide a better indication of differential treatment.

An eventual progression beyond the regional approach would be to extend the analysis from a single region to multiple regions. Other sub-regions in Asia that have undergone industrial transitions could be contrasted, including South Asia and East Asia, as well as the emergence of other growth triangles, such as the Indonesia-Malaysia-Thailand Growth-Triangle (IMT-GT). In Asia, these growth triangles are not unique and states may be parties to multiple cooperative arrangements. An assessment of the comparative strength of these varying growth triangles upon migration could help establish whether a state has a monopoly over trade and the migrant labor market.

Finally, cross-regional analyses may prove useful for comparing differing levels of economic development, migration, and the treatment of migrant workers. A natural extension in the future would be to incorporate other cases, where countries are undergoing industrial transitions within the semi-periphery. Strong and similar experiences are present in Latin America (with the exception of growth-triangles), where regime-based governments are prevalent and industrial-led strategies are promoted. These could include countries such as Brazil, Argentina, and Mexico. Efforts to include regions in addition to Asia would prove to be fruitful for expanding research on migration and the rights of migrant workers in the developing world.


118