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► Recruitment fees and related costs:

What migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar pay to work in Thailand

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▶ **Recruitment fees and related costs:**

What migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar pay to work in Thailand

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► Foreword

Thailand has a long history of labour migration, initially as a country of origin, and more recently as a destination country. Today, Thailand is host to the largest number of migrant workers of all ASEAN member states, with approximately 2.8 million documented, low-skilled, migrant workers from Cambodia, Lao PDR and Myanmar.

Labour migration is sometimes seen as a triple-win: a win for destination countries facing labour shortage, a win for countries of origin facing poverty, unemployment and skills challenges and a win for migrants in need of employment opportunities/better earning prospects. To a large extent, this all holds true. The study found that women and men migrant workers from all three origin countries earned more in Thailand than they did back home prior to migration.

At the same time exploitative practices, such as the systematic overcharging for recruitment related costs and fees undermine and diminish the development gains. To pay their recruitment related costs, many workers sell family assets, borrow money at high rates from lenders or go into debt with their employers. Some choose to go through an irregular channel, often perceived as a cheaper option, while others overstay their visa duration, thereby becoming irregular migrants. Both these strategies rendering them vulnerable to further exploitation, including forced labour or human trafficking.

Reducing crippling recruitment costs could lead to enormous benefits: Not only would this facilitate access to foreign employment opportunities, but also help counter irregular migration, and result in larger remittance flows to migrant households which could be used for education, health and other productive uses.

There is a global consensus that recruitment related fees and costs should be reduced, and that workers should not be responsible to pay these costs and fees. Not only is it a core provision of the ILO Private Employment Agencies Convention, 1997 (No. 181) but it is also recognized as an indicator of progress towards the Sustainable Development Goal 10 (Reduce inequality within and among countries).

This report presents the findings of a survey on recruitment fees and related costs paid by migrant workers from Cambodia, Lao PDR and Myanmar in order to work in Thailand. It shows that on average –regardless of the occupation/channel/status – the worker-paid recruitment costs and fees amount to about two month of wages. These costs and fees could be considerably reduced through effective regulation, enforcement and information dissemination.

The survey was conducted under the framework of the ILO and World Bank KNOMAD initiative which includes a standard methodology and questionnaire designed to measure migration and recruitment costs for low-skilled migrant workers.

The migration process implies complex challenges in terms of governance, migrant workers' protection, migration and development linkages, and international cooperation. This report can help forge policies maximizing the contribution of labour migration to fair and sustainable growth in ASEAN.



Graeme Buckley
Director, ILO Country Office for
Thailand, Cambodia and Lao PDR

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The survey was conducted by Rapid Asia. Their contribution included survey design, restructuring the survey questionnaire, managing fieldwork carried out on CAPI, and pre-analysis and configuration of the survey data. They also provided input on the final report. Special thanks to Daniel Lindgren and Mookdapa Yangyuenpradorn from the Rapid Asia team.

The analytical report was written by Geoffrey Ducanes, Assistant Professor, Ateneo de Manila University, and Anna Engblom, Chief Technical Adviser of the ILO TRIANGLE in ASEAN programme.

The quality of the survey and its compliance with the original KNOMAD methodology was ensured through detailed review and technical support provided by Manolo Abella, the principal architect of the ILO/WB KNOMAD methodology to measure migration costs.

The survey and the analytical report were made possible with the contribution of many people during the design, field work, analysis, report preparation, and review: Anna Engblom took overall responsibility for all aspects of the research project from conceptualization to publishing. Kuanruthai Siripatthanakosol, National Programme Coordinator for the Thailand chapter of TRIANGLE in ASEAN, provided invaluable advice and support to the survey design and conceptualization and peer review of the draft report. Many others were involved in the conduct and finalization of this report in various capacities.

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▶ Executive summary

Background and introduction

Transitioning from a net-sending to a net-receiving country during the 1990s, Thailand is a growing destination for migrant workers from neighbouring countries, mainly due to imbalanced economic development in the region. Today, Thailand is the largest destination country for migrant workers in the Association of Southeast Asian Nations (ASEAN) region, with the vast majority of its migrant workers coming from Cambodia, the Lao People's Democratic Republic, and Myanmar. As of 2019, there were some 2,877,000 documented migrant workers in Thailand from these three countries. 65 per cent were from Myanmar, 25 per cent from Cambodia, and 9 per cent from the Lao People's Democratic Republic. These migrants are employed mainly in elementary occupations in agriculture, construction, domestic work, fishing, and manufacturing.

Labour migration into Thailand is governed through a series of memoranda of understanding (MOUs) signed by the Thai Government and the governments of Cambodia, the Lao People's Democratic Republic, and Myanmar. However, only a small proportion of migrants enter Thailand through the MOU process due to the complicated, lengthy, and costly procedures involved.

There is a growing consensus at the global level that costs and fees related to the recruitment of migrant workers should not be paid by the worker. This important principle is a core provision in the ILO Private Employment Agencies Convention, 1997 (No. 181), which stipulates that workers shall not, directly or indirectly, be charged any fees related to their recruitment and placement (Article 7(1)). The ILO *General principles and operational guidelines for fair recruitment* and *Definition of recruitment fees and related costs* reiterate this principle and provide a definition of recruitment-related costs and fees not to be paid by workers. The importance of reducing the cost of recruitment is also recognized in the 2030 Agenda for Sustainable Development, under a dedicated indicator, SDG Indicator 10.7.1.

In Thailand, the Royal Ordinance concerning the Management of Migrant Workers adopts the principle of zero recruitment fees for migrant workers. However, the Royal Ordinance does not define what constitute "recruitment costs", and stipulates that this need to be further elaborated under a secondary legislation, which has not yet been drafted.

In reality, however, global research shows that worker-paid migration costs can be high, up to a third of what low-skilled workers will earn in two or three years abroad. Reducing recruitment costs is an important key to ensuring that migrant workers are protected and can increase the rate at which development occurs in countries of origin.

This report aims to shed light on the recruitment fees and related costs paid by low-skilled migrants working in Thailand. During July-September 2018, the survey interviewed 1,200 migrant workers from Cambodia (380), the Lao People's Democratic Republic (302), and Myanmar (518) working in agriculture, construction, or domestic work in Bangkok, Chiang Mai, Cholburie, Surat Thani, Kanchanaburi, and Tak provinces. It collects information on recruitment-related costs and fees for both regular and irregular migrant workers prior to departure, during transit, and upon arrival in Thailand.

Survey findings

Of the total migrant workers surveyed, 36 per cent had entered Thailand through the official channels, including 34 per cent who came through the MOU mechanism and another 2 per cent who had entered under a border pass arrangement. An additional 30 per cent of respondents were initially irregular, but had, or were in the process of, completing the national verification (NV) regularization process in Thailand. The remaining 34 per cent were fully irregular migrants.

A sizeable share (40 per cent) went to Thailand without pre-arranged jobs, and about a quarter went to work without a written contract. Combined, these factors add to the uncertainty they face in terms of costs, as well as rendering them more vulnerable to possible exploitation. The problem of not having written contract is especially severe for workers from Cambodia (99 per cent), those in agriculture (96 per cent) and domestic work (72 per cent), and those with no education (85 per cent). Of the positive side, very few (2 per cent) of those who had a contract reported getting a job that was different from that which was specified in the contract.

On average, the surveyed migrant workers earned about US\$240 per month in Thailand. Migrants from Myanmar earned the most (\$260 per month) followed by those from the Lao People's Democratic Republic (\$224) and Cambodia (\$207). Overall, regular migrant workers earn more (\$270) than irregular migrant workers (\$210), with regular workers from Myanmar earning the most (\$319 per month, compared to fully irregular workers from Myanmar at \$210). But this is not necessarily true for each country of origin. For example, fully irregular migrant workers from the Lao People's Democratic Republic earned the most at \$285 per month, compared to \$245 for regular workers.

Findings also show that, perhaps contrary to expectations, those who migrated through a registered agent earned less, on average, than those who migrated through a non-registered broker, through friends or family, or on their own. It also showed that males, on average, earn more per month (\$15) than females; those who worked in construction earned more (\$72) than those in domestic work; and those that worked in Greater Bangkok earned more than in other provinces, with those working in Tak earning \$118 less.

The ratio of monthly earnings in Thailand to monthly earnings before coming to Thailand differs somewhat by country of origin. It is highest for the Lao People's Democratic Republic at 2.2, followed by Myanmar at 2.1, and with Cambodia last at 1.9. The ability to earn roughly double one's monthly salary makes migration for work to Thailand from the three origin countries an attractive undertaking.

The survey found that the mean total cost for a migrant worker to come and work in Thailand was \$461. The cost was highest for workers from Cambodia (\$517), followed closely by workers from the Lao People's Democratic Republic (\$503), and then workers from Myanmar (\$394). By migration status, regular migrants paid the highest recruitment costs, at \$497 on average; while the group of fully irregular migrants paid \$474. The patterns are similar when one looks at males and females separately.

The total cost paid by the workers is strongly related to whether the worker went through an agency or broker or not, with those who did not make a payment to an agency or broker paying much less in total costs – lower by more than \$100, on average – especially in the case of Cambodia (\$205 versus \$517) and the Lao People's Democratic Republic (\$235 versus \$503). In the case of Myanmar, the difference in what was paid by those who did and did not avail themselves of an agency or broker is noticeably less (\$368 versus \$394). By sector of employment, those in construction incurred the highest recruitment costs, at \$489 on average, followed by those in domestic work (\$461), and then those in agriculture (\$431). The patterns are roughly the same for men and women. The recruitment costs incurred by those who migrated through regular channels and who had to pay a recruitment agency or broker in both the origin country and Thailand were especially high.

Of the total respondents, 51 per cent reported they were directly hired by an employer, 21 per cent that they had migrated through a non-registered broker, 14 per cent through a licensed recruitment agency, 14 per cent through family or friends, and 2 per cent independently. The pattern differed widely by country of origin and sex. For example, only 1 per cent of the migrants from Cambodia had gone through a licensed recruitment agency, compared to 21 per cent of those from Myanmar. Females from the Lao People's

Democratic Republic were much more likely than males to migrate via licensed recruitment agencies (26 per cent versus 1 per cent), but males were much more likely to migrate through direct employment by an employer (93 per cent versus 37 per cent for females).

Despite the fact that 51 per cent of respondents reported that they had found their job directly through their employer, 87 per cent of all migrant workers reported that they had made payments to a recruitment agency or broker (including relatives or friends). Per country, 78 per cent of all workers from Myanmar, 93 per cent of the Lao workers, and 94 per cent of the Cambodian workers reported such payments. Of note is that 54 per cent of all migrant workers reported that they had made a payment to a recruitment agency or broker in Thailand: 43 per cent reported only paying a Thai recruitment agency or broker; while an additional 11 per cent made a payment to a recruitment agency or broker in both their home country and in Thailand. As with other variables, the patterns clearly differ by country of origin. Eighty-five per cent and 64 per cent of workers from Cambodia and the Lao People's Democratic Republic, respectively, made a payment to a recruitment agency or broker in Thailand; while only 26 per cent of workers from Myanmar made a payment to a recruitment agency or broker in Thailand. It should be noted that the Royal Ordinance concerning the Management of Migrant Workers prohibits recruitment agencies in Thailand from charging migrant workers fees for their services.

On average, irregular migrants were much more likely than regular migrants to pay a recruitment agency or broker in Thailand. More male workers had paid a recruitment agency or broker in Thailand than females (at 59 per cent and 50 per cent, respectively). Per sector, a larger share of workers in agriculture (70 per cent) reported that they had made a payment to a recruitment agency or broker in Thailand, compared to 37 per cent of workers in domestic work and 54 per cent in construction.

The most common recruitment cost items paid for by the surveyed migrant workers, regardless of origin country, are for passports, visas, travel to Thailand, and work permits, and to a lesser extent, medical exams, travel within Thailand, and Thai registration cards. Of course, it is also implicit that migrant workers who went through intermediaries paid service charges. For the majority of the respondents, payment for these cost items – except for travel to Thailand or travel within Thailand – were included in what they paid recruitment agencies or brokers.

For those who did not course their migration through a recruitment agency or broker, visas, passports, and work permits together constituted about 60 per cent of their total recruitment costs. Travel costs (to Thailand and within Thailand) make up another 20 per cent; medical exams, 9 per cent; Thai registration cards, 6 per cent; and police and security clearance, 4 per cent.

As noted above, the average monthly earnings of migrant workers in the survey was \$240, which means that, on average, the total cost of recruitment was equivalent to about 1.9 months of earnings. However, this ratio of recruitment costs to monthly earnings differs widely by country of origin, sitting at only 1.4 for Myanmar workers, but at 2.3 and 2.5 for Lao and Cambodian workers, respectively. The recruitment-cost-to-monthly-earnings ratio was high among regular workers from Cambodia and the Lao People's Democratic Republic relative to irregular migrants. The ratio was also typically lower for those who did not go through an agency or broker. Average monthly earnings were lower for females compared to males, but as a result of the lower average cost of recruitment for females, the cost-to-earnings ratios were about the same for both (1.9 for males and 2.0 for females).

Borrowing to finance migration was prevalent, especially among workers from Cambodia and the Lao People's Democratic Republic. Among those who borrowed money, the mean amount borrowed was \$762 and the median borrowed was \$530. At the time of the survey, more than half of the workers who borrowed money had already paid off their loans, and the mean amount still owed was only about 19 per cent of the original loan amount.

Although the share of those who borrowed money from money lenders was relatively low (7 per cent overall, but 14 per cent among Myanmar workers), those who did borrow from money lenders paid exorbitant rates – a median of 20 per cent per month in all countries. Many of those who borrowed money experienced difficulties, the most common of which were being unable to buy necessities, needing to cut back on necessities like food, and borrowing again to pay existing debt.

Regression analysis shows that migration status is related to employment conditions, as fully irregular workers worked more days per week and were less likely to have an off day than regular workers. Irregular workers still in the midst of the NV process were also found to work more days per week, on average, and more hours per day worked than regular migrants.

Survey respondents reported benefiting from a very limited number of labour rights. None or almost none reported having the ability to join a union, have severance pay, or have (for women) paid maternity leave. Only a small share, about one in ten, have paid annual leave, paid holidays, and paid sick leave. Only 36 per cent kept their ID documents, and slightly less than one in four reported being paid at least the minimum wage. Regression analysis showed that irregular workers were more likely to have no labour rights compared to regular workers, controlling for individual characteristics, sector of employment, country of origin, province of work, and method of migration. Also, those who migrated via direct recruitment by an employer or through friends or family were less likely to have no labour rights.

As noted above, regression analysis shows that irregular workers paid significantly less than regular workers – from about \$50 to \$100 less, even after controlling for individual characteristics, sector of employment, country of origin, province of work, and method of migration. However, migrant workers make a trade-off when they choose not to get proper documentation. On the one hand, they pay significantly less in recruitment costs, but as was shown through the survey, they are also more likely to earn less, have poorer employment conditions, and have more limited labour rights. Part of the problem may be financial constraints, as most borrow money to finance their migration.

Based on the findings of the survey, this report proposes four broad recommendations: (1) review and strengthen law and policy governing recruitment of migrant workers including speedy development of implementing rules and regulations; (2) ensure effective regulation of recruitment, including better monitoring, enforcement, and information dissemination; (3) encourage self-regulation mechanisms with follow-up and monitoring; and (4) improve employment and working conditions in line with national laws and international labour standards.

► Abbreviations and acronyms

ACRA	Association of Cambodian Recruitment Agencies
ASEAN	Association of Southeast Asian Nations
CAPI	Computer-Assisted Personal Interviewing
CoV	coefficient of variation
ILO	International Labour Organization
KHR	Cambodian riel [currency]
LAK	Lao kip [currency]
Lao PDR	Lao People's Democratic Republic
MAC	Manpower Association of Cambodia
MMK	Myanmar kyat [currency]
MOEAF	Myanmar Overseas Employment Agencies Federation
MOU	memorandum of understanding
NV	national verification process
SDG	Sustainable Development Goal
THB	Thai baht [currency]



▶ 01

▶ Introduction and background

1.1 Objectives of the study

This study focuses on analysing the recruitment fees and related costs paid by low-skilled migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar working in Thailand in the agricultural and construction sectors or as domestic workers. It also relates these costs to other aspects of the employment of migrant workers, such as on their employment conditions and access to labour rights, among others. The study captures both documented and undocumented male and female migrant workers, as the costs between these groups can vary significantly.

The study includes an analysis of the various components of recruitment-related costs and to shed light on where rent-seeking behavior occurs. It also sets a baseline against which to measure reductions in recruitment-related costs in the future and proposes recommendations on how to reduce such costs within the selected migration corridors.

Specifically, the report seeks to answer the following questions:

- ▶ What recruitment-related costs and fees do migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar working in Thailand pay for?
- ▶ Which of these recruitment cost items are incurred at home prior to departure, and which costs are incurred in Thailand?
- ▶ Is there a difference by origin country in the cost items paid for by migrant workers?
- ▶ What are the differences in cost between those migrating to Thailand regularly or irregularly?
- ▶ Which cost items contribute the most to total recruitment costs?
- ▶ Which cost items contribute the most to the total variability in recruitment costs?
- ▶ Do agents or brokers add value by helping migrants obtain better wages or conditions of employment?
- ▶ Do recruitment costs differ by sector of employment, or by province of employment in Thailand, or by sex, or by education?
- ▶ What are the robust correlates of recruitment costs?
- ▶ Were most of the migrants recruited by an agent before leaving their home countries, or did they come in autonomously and sought jobs once inside Thailand?
- ▶ Do most migrants stick with the same employer or do they change employers?
- ▶ How many migrant workers borrowed money to pay for the costs of migration; from where did they borrow; and how much did they borrow?
- ▶ How much did they pay in interest for their borrowing, and what difficulties did they experience as a result of borrowing money?
- ▶ Do migrants with regular status earn more than those without regular status?
- ▶ By how much do migrant workers gain in earnings by working in Thailand?

The report was undertaken under the wider framework of the World Bank/ILO KNOMAD initiative¹ which has developed a conceptual framework, including a methodology and questionnaire, to measure migration and recruitment costs for low-skilled workers crossing national borders. The KNOMAD methodology has been applied in a large number of migration cost surveys globally and has generated comparable datasets.

The remainder of this introductory chapter provides background information on migration into Thailand; the international and Thai legal frameworks associated with migration-related costs, and a brief accounting of official recruitment-related costs recognized by Thailand and the three countries of origin.

1.2 Migration into Thailand

In recent decades, Thailand has been a growing destination for migrant workers from neighbouring countries in the Greater Mekong Subregion, mainly due to imbalanced economic development in both the subregion and the broader Asia and the Pacific. Today, Thailand is the largest destination country for migrant workers in the South-East Asian region, with most of its migrant workers coming from neighbouring Cambodia, the Lao People's Democratic Republic, and Myanmar.

Despite transitioning from a net-sending country to a net-receiving country during the 1990s, Thailand's labour migration governance framework has remained largely ad hoc. In 2002 and 2003, the Royal Thai Government signed memoranda of understanding (MOUs) on employment cooperation with the governments of Cambodia, the Lao People's Democratic Republic, and Myanmar, which established a channel for regular labour migration into Thailand. However, up to recently, only a small proportion of migrants have entered Thailand through the MOU process due to the complicated, lengthy, and expensive procedures involved. In 2015 and 2016, Thailand revised the MOUs to broaden cooperation on labour issues, including skills development and social protection, and signed a new agreement with Viet Nam.

During 2016–18, Thailand developed a more comprehensive legal framework, including the adoption of the Royal Ordinance Concerning the Management of Employment of Migrant to manage labour migration in parallel with the implementation of the MOU processes. The Royal Ordinance sets out that the MOU process is the only official channel for low-skilled migrant workers to enter Thailand. However, section 64 of the Royal Ordinance offers one exception, the so-called border employment regulation. Section 64 is designed as a more flexible option to the MOU modality, by allowing employers to hire workers for a short time (such as seasonal agricultural workers). Section 64 allows the issuance of (renewable) work permits of up to 90 days duration. For more on the Royal Ordinance, see section 1.4 of this report.

In reality, however, due to the porous borders of Thailand, and the complicated, and often time-consuming and expensive MOU processes, many migrant workers are entering Thailand irregularly. In response, and for the past two decades, the Thai Government has been relying on periodic regularizations of irregular migrants and nationality verification processes. Up until today, the majority of migrants from Cambodia, the Lao People's Democratic Republic, and Myanmar continue to make use of the ad-hoc, semi-annual registration windows to obtain legal status or simply work irregularly. The last such registration window was announced in 2016 and concluded in 2018.

As of August 2019, and after the completion of the latest registration window, there were some 2,877,000 documented migrant workers in Thailand from the three countries, of whom 65 per cent were from Myanmar, 25 per cent from Cambodia, and 9 per cent from the Lao People's Democratic Republic. The majority of the migrant workers from the three countries had found employment in Thailand through irregular channels: only 977,000 (34 per cent) entered through the MOUs and another 59,000 (2 per cent) worked in Thailand under the border employment scheme. The rest, some 1,841,000 (or 63 per cent) of the migrants holding work permits had availed themselves during Thailand's Regularization Policy during

¹ In 2012, the Thematic Working Group on Low-skilled labour migration under the Global Knowledge Partnership on Migration and Development (KNOMAD) launched a project to develop a methodology to collect recruitment cost data that are comparable across migrant-sending countries, to build a database of worker-paid migration costs, and to develop policies to reduce such costs.

2016–18 (ILO, 2019²). While a large number of undocumented migrant workers came forward to register during the 2016–18 regularization process, an unknown number of undocumented migrant workers continue to work in Thailand.

In Thailand, migrant workers are employed mainly in low-skilled jobs in agriculture, construction, domestic work³, fishing, and manufacturing. Based on data from the International Labour Organization's (ILO) International Labour Migration Statistics Database in ASEAN⁴, 36 per cent of migrant workers in the Thailand were employed in manufacturing, 16 per cent in construction, 14 per cent in trade, 12 per cent each in agriculture and other service activities (including domestic work), and the remaining spread over other sectors of the economy (ILO, 2018a). Although the majority of regular migrant workers in Thailand are men, women comprise a large part as well. Counting only among the migrant workers with regular status (via the MOUs) and those who have completed the national verification (NV) process, male migrant workers made up 55 per cent of the migrant workers from the three countries or origin and women 45 per cent (ILO, 2019).

The large proportion of those in irregular status and the relatively high share of women among the migrant workers make them especially vulnerable to various forms of exploitation, such as forced labour and other unacceptable forms of work, and also possibly to being charged excessively for recruitment costs.

1.3 International frameworks on recruitment fees and costs

Despite the existence of international labour standards relating to recruitment, national laws and their enforcement often fall short of protecting the rights of workers, and migrant workers in particular. In response to these challenges, the ILO launched in 2014 a global “Fair Recruitment Initiative” to:

- ▶ help prevent human trafficking and forced labour;
- ▶ protect the rights of workers, including migrant workers, from abusive and fraudulent practices during the recruitment and placement process (including pre-selection, selection, transportation, placement, and safe return);
- ▶ reduce the cost of labour migration; and
- ▶ enhance development gains from migration.

Crucial outputs of this process include the ILO's 2016 *General principles and operational guidelines for fair recruitment*, which was supplemented in 2019 with a *Definition of recruitment fees and related costs*.⁵ The definition of recruitment costs and related fees was adopted by a Tripartite Meeting of Experts held in Geneva in November 2018. Together, this guidance forms a comprehensive approach to realizing fair recruitment through development, implementation, and enforcement of laws and policies aiming to regulate the recruitment industry and protect workers' rights.

The *Definition of recruitment fees and related costs* importantly recognizes the principle that workers shall not be charged directly or indirectly, in whole or in part, any fees or related costs for their recruitment. The definition identifies separately the (a) recruitment fees, and (b) related costs.

2 Citing data from the Office of Foreign Workers Administration, Department of Employment, Ministry of Labour, Thailand as of August 2019.

3 “Domestic work is defined as ‘work performed in or for a household or households’ [ILO Domestic Workers Convention, 2011 (No. 189)]. Domestic work is therefore defined according to the workplace, which is the private household. Broadly speaking, domestic workers provide personal and household care. Occupations and tasks considered to be domestic work vary across countries, but typically includes cooking, cleaning, taking care of children, the elderly and the disabled, taking care of pets, gardening, or driving the family car. Globally, about 80 per cent of all domestic workers are women” (ILO, n.d.).

4 ASEAN refers to the Association of Southeast Asian Nations

5 Available at: https://www.ilo.org/global/topics/fair-recruitment/WCMS_536755/lang--en/index.htm.

Recruitment fees, which may be one-time or recurring and cover recruiting, referral, and placement services, include:

- ▶ payments for recruitment services offered by labour recruiters (public or private);
- ▶ payments made in the case of direct recruitment by the employer; and
- ▶ payments required to recover recruitment fees from workers.

Related costs are costs that should be considered related to the recruitment process and hence also not be paid by the migrant workers. They include:

- ▶ medical costs (including medical tests or vaccinations);
- ▶ insurance costs (including migrant welfare funds);
- ▶ costs for skills and qualifications tests (including language tests);
- ▶ costs for training and orientation (including on-site, pre-departure, or post-arrival orientation training);
- ▶ equipment costs (including tools, uniforms, safety gear);
- ▶ travel and lodging costs (including for training, interviews, consular appointments, relocation, and return or repatriation); and
- ▶ administrative costs (for example, fees for representation/services aimed at preparing, obtaining, or legalizing workers' employment contracts, identity documents, passports, visas, background checks, security and exit clearances, banking services, and work and residence permits).

The definition notes that depending on the recruitment process and the context, these cost categories could be further developed by governments and the social partners at the national level. It is also recognized that the competent authority has flexibility to determine exceptions to their applicability if they, for example, are in the interest of the workers concerned and/or are limited to certain categories of workers and types of services.

The principle from the the *General principles and operational guidelines* that the workers shall not be charged directly or indirectly, in whole or in part, any fees or related costs for their recruitment is supported by the ILO Private Employment Agencies Convention, 1997 (No. 181). Article 7 of Convention No. 181 stipulates, "Private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers". Exceptions to this general rule are possible, after consultations with representative workers' and employers' organizations, if they are in the interest of the workers concerned and limited to certain categories of workers, as well as specified types of services provided by private employment agencies.

The importance to reduce the cost of recruitment is also recognized in the 2030 Agenda for Sustainable Development, under a dedicated indicator 10.7.1 "Recruitment cost borne by employee as a proportion of yearly income earned in country of destination". The ILO and the World Bank are co-custodians for this indicator and have developed a methodology for how to measure it.⁶

A global report discussing migration costs (Abella and Martin, 2014) concludes that worker-paid migration costs can be high, up to a third of what low-skilled workers will earn in two or three years abroad in certain migration corridors. In this context, migration costs refer to the costs associated with workers' national border crossing, and includes recruitment fees (including job-matching fees), document costs, and transportation costs. The general finding of the literature is that migration cost is regressive – costs fall as worker skills and wages increase.

Many migrant workers borrow money at high rates from moneylenders to finance migration costs, encouraging them to work overtime or take a second job abroad to speed repayment. Some have had to overstay their visas, thereby becoming irregular migrants, rendering themselves vulnerable to exploitation, risking imprisonment, and generating problems for the host governments. Given the profound impact of

⁶ The definition was adopted in November 2018 by the Inter-Agency and Expert Group on Sustainable Development Goals (IAEG-SDG).

such costs on the conditions of migrant workers, many governments have banned or put a ceiling on recruitment fees, but worker-paid costs have remained stubbornly high in certain migration corridors.

The benefits of reducing migration costs are obvious. It enables more poor people to access foreign employment opportunities. It also prevents asset depletion on the part of migrant households through sale of property and assets to finance migration. Low costs also prevent migrants falling into debt traps that may absorb all their savings and remittances for repayment. Excessive debts may also force migrants into forced labour situations. Low costs also mean higher remittance flows in migrant households and their communities, which can be put to human capital formation and other uses.

1.4 The legal framework on migrant workers in Thailand

Thailand has various legislative provisions stipulating the minimum working and employment conditions for workers, including migrant workers. The Labour Protection Act B.E. 2541 (1998) ensures that all workers, regardless of their nationality and legal status, are guaranteed equal conditions and protections with regards to minimum wage, working hours and corresponding rest periods, paid leave, discrimination, workplace harassment, etc., unless otherwise specified in its secondary laws. The Labour Protection Act only gives full effect to those employed in the formal sector, whereas those employed in what is defined as informal sectors – e.g., domestic work, agriculture, and fishing – are normally only granted partial protection as outlined in secondary legislation. Employers' responsibility to uphold and provide occupational safety and health protections for all their workers regardless of nationality are stipulated in the Occupational Safety, Health and Environment Act B.E 2554 (2011).

Migrant workers and Thai nationals have equal access to social protection, including social security benefits for those that contribute as regulated under the Social Security Act B.E. 2533 (1990). Workers are also conferred rights and entitlements under the Workmen Compensation Fund B.E. 2537 (1994). However, the extent to which a worker can access these rights and entitlements is dependent on factors such as their sector of employment and their legal status.

The 2017 Royal Ordinance Concerning the Management of Employment of Migrant Workers, revised in 2018, is a comprehensive legal framework governing all aspects of labour migration into Thailand, including the recruitment of and employment practices related to migrant workers, as well as the licensing and monitoring of private recruitment agencies. The Royal Ordinance outlines migrant workers' labour rights, including for example, protection from abusive practices during recruitment and employment, such as: fraudulent practices by either an employer and a recruiter/broker; flexibility to change employer under certain (relatively strict) conditions; the requirement to provide a written employment contract in a language the workers understands; and the right to retain a copy of a written contract and other personal documents.

Importantly, the Royal Ordinance (section 42) incorporates the principle of zero recruitment fees for migrant workers⁷, which demonstrates an improved adherence with international labour standards and is a positive step in reducing costs for migrant workers. However, at the time of writing this report, the Ministry of Labour is yet to develop secondary legislation specifying exactly what is meant by "recruitment costs not to be paid by migrant workers". More on the costs and fees currently allowed in Thailand is discussed in section 1.5.

7 Section 42 states: "In bringing foreign workers to work with the employers in the Kingdom, the licensee who is permitted to bring in foreign workers or the employee who performs duties relating to bringing foreign workers to work are prohibited to demand for or receive money or any other property from the employer or the foreign worker other than service fee or cost from the employer according to the list and rate prescribed by the Director-General."

Section 5 defines "fee" as "money or other benefits given in return for the bringing of foreigners for working", and defines "Licensee who is permitted to bring in foreign workers" as "an operation of business, that bring in foreign workers to work with the employers in the Kingdom, who is granted a license to bring in foreign workers".

1.5 Official recruitment-related costs and fees in Cambodia, the Lao People's Democratic Republic, Myanmar and Thailand

Migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar wanting to work in Thailand are required to pay a set of recruitment-related fees and costs. Some of them occur in the country of origin prior to migrating, while others occur in Thailand. This section outlines these costs per country.

Cambodia

In Cambodia, the legal framework regulating overseas recruitment is Sub-Decree No. 190 on The Management of the Sending of Cambodian Workers Abroad Through Private Recruitment Agencies, adopted in 2011. The Sub-decree outlines the responsibilities of private recruitment agencies for recruitment, job matching, pre-departure training, and the safe return of migrant workers. In 2013, eight *prakas* (i.e., ministry-level decrees) were adopted to support Sub-Decree 190. These *prakas* provided greater clarity to authorities and recruitment agencies on their roles and responsibilities. It should be noted that at the time of developing the eight *prakas*, there were discussions about another *prakas* that would specify the costs permitted to be charged to migrant workers and the maximum or "ceiling" fees that recruitment agencies are allowed to charge. However, this was not adopted. As of today, there are no official maximum service fees that recruitment agencies are allowed to charge. According to a recent news story (Thomson Reuters Foundation, 2019), the Government is planning to fill this important gap by putting an official cap on allowable fees.

Despite this, the Government has reported applicable fees and costs related to labour migration to include the following:

- ▶ Application form to obtain passport to be signed at the village level by district and provincial police: 5,000 to 10,000 Cambodian riel (KHR) (equivalent to \$1.20–2.50);
- ▶ Issuing of passport: KHR400,000 (\$100) for normal process within 30 days (KHR800,000 (\$200) for the premier process within three days);
- ▶ Obtaining of criminal records certificate: KHR10,000–20,000 (\$2.25–5);
- ▶ Health check-up: KHR20,000–40,000 (\$5–10);
- ▶ Approval of name list at the Ministry of Labour and Vocational Training's Department of Employment and Manpower: KHR10,000–20,000 (\$2.50–\$5);
- ▶ Department of Skills Development and Employment issuing permission for sending workers and issuing of the work permit: KHR50,000–80,000 (\$12.50–\$20);
- ▶ Applying for work visa at the Thai Embassy based in Phnom Penh: KHR200,000–250,000 (1,900–2,400 Thai baht (THB); \$50–60);
- ▶ Pre-departure training services: KHR80,000–100,000 (\$20–25); and
- ▶ Insurance: KHR40,000–80,000 (\$10–20) for six to 12 months for migrant worker overseas employment.

Based on the information above, the related costs for migrant workers from Cambodia amount to about \$169–304 per worker. Importantly, this excludes the cost of any service fees charged by recruitment agencies. It should also be noted that costs for travel, food, and lodging within Cambodia related to migration (e.g., to meet with recruitment agencies, to arrange all necessary documents, and to the workplace in Thailand) can be substantial, but are not included in this total, as such costs can vary considerably.

The Association of Cambodian Recruitment Agencies (ACRA), and the Manpower Association of Cambodia (MAC) have worked with the Ministry of Labour and Vocational Training, with the technical assistance of the ILO/TRIANGLE in ASEAN, to develop and adopt a Code of Conduct for Cambodian private recruitment agencies. The Code, which was launched in January 2020, marks a significant step forwards; it reflects increasing recognition and understanding that recruitment fees and related costs must be limited to those permissible by the law. They must also not be excessive and only be charged in the interests of the migrant workers. In addition, recruitment agencies must take steps to reduce the cost, and commit to moving towards a "zero fee" recruitment model.

The Lao People's Democratic Republic

The relevant legal frameworks in the Lao People's Democratic Republic are:

- ▶ the Decree on the Dispatching of Lao Labour to Work Abroad, No. 68 of 2002;
- ▶ the corresponding Ministerial Agreement No. 43 on the Establishment and Management of the Employment Service Enterprise; and
- ▶ the Guideline on Implementation of Decree on Export of Lao Workers Working Abroad (No. 2417/MoLSW), 2002;

The *Operations manual on the protection and the management of migrant workers for three ministries of the Lao People's Democratic Republic*, 2014, outlines the relevant processes stipulated in these and other related laws.⁸ Without explicitly stating who will pay them, the operations manual provides a list of applicable fees as follows:

- ▶ Application form to obtain passport to be signed at the village level by district and provincial police: 30,000 kip (LAK) (equivalent to \$3.40);
- ▶ Obtaining of criminal records certificate: LAK20,000–40,000 (\$2.25–4.50);
- ▶ Health check-up: LAK100,000 (\$2.25–7.30);
- ▶ Issuing of passport: ranging from LAK30,000 (\$3.40) for a regular passport to LAK400,000 (\$45) for an e-passport;
- ▶ Approval of name list at provincial Department of Labour and Social Welfare: LAK10,000 (\$1.10), plus an additional LAK25,000 (\$4) for a photograph;
- ▶ Department of Skills Development and Employment issuing permission for sending labourers and issuing a work permit: LAK100,000 (\$11); and
- ▶ Non-LA visa at the Thai Consulate based in the Lao People's Democratic Republic: THB500 (equivalent to \$16).

The total of these fees is approximately \$82–95, depending on the urgency and the location of the application. In addition, Ministerial Agreement No. 43 allows recruitment agencies to charge a service fee up to 5 per cent of the salary of the worker per month; while the more recent Guideline on the Implementation of Decree on Export of Lao Workers Working Abroad increases the cap on the service fee to 15 per cent of the salary of the worker per month. The Government is currently revising Decree No. 68 and Ministerial Agreement No. 43, which should lead to policy cohesion on the capping of service fees.

Further, it should be noted that the cost for travel, food, and lodging within the Lao People's Democratic Republic related to migration (e.g., to meet with recruitment agencies, to arrange all necessary documents, and to the workplace in Thailand) can be substantial, but are not included in this total as they vary considerable.

In the Lao People's Democratic Republic, there are currently some 26 recruitment agencies recruiting workers for employment abroad. Contrary to the situations in Cambodia and Myanmar, there is no association or umbrella body for recruitment agencies.

Myanmar

The law regulating recruitment costs in Myanmar is the Law Relating to Overseas Employment, 1999. Additional rules and regulations guidance for the implementation of the law was released in 2014 that mainly addressed licensing and operations of private overseas employment agencies. The Law defers the responsibility for setting the maximum allowable service fee that can be charged by private recruitment agencies to the Overseas Employment Central Committee of the Ministry of Labour, Immigration and Population. It should be noted that migrant workers seeking employment in Thailand under the MOU

⁸ The three ministries referred to by the operations manual are the Ministry of Labour and Social Welfare, the Ministry of Foreign Affairs, and the Ministry of Public Security, which are all involved in migration management in the Lao People's Democratic Republic.

mechanism have to use the services of recruitment agencies in Myanmar. The following official costs apply to migrant workers from Myanmar going to Thailand for work:

- ▶ passport: 25,000 to 30,000 Myanmar kyat (MMK) (equivalent to \$16–20);
- ▶ medical check-up: MMK15,000–23,000 (\$10–15)
- ▶ smart card (overseas worker card): MMK1,900 (\$1.20)
- ▶ insurance: MMK15,000–30,000 (\$10–20) for six and 12 months, respectively
- ▶ non – LA visa issued at the immigration checkpoint in Mae Sot: THB500 (\$16).
- ▶ fee to recruitment agency: A directive from the Ministry of Labour, Immigration and Population allows recruitment agencies to charge migrant workers different rates for their services depending on the country of destination, but specifies that in no case may the fee be higher than the equivalent of four months' salary. The fee for recruitment to Thailand is capped at MMK150,000 (approximately \$100). It is not known if the service fee is also supposed to include some of the costs listed above, or if they are to be charged on top of the service fee.

Hence, the official costs occurred at the Myanmar side for those wanting to work in Thailand is around \$170, if additional costs are allowed to be charged on top of the service fee (which is not clear). It should be noted that the costs for travel, food, and lodging within Myanmar related to the migration (e.g., to meet with recruitment agencies, to arrange all necessary documents, and to the workplace in Thailand) can be substantial, but are not included in this total, as they vary considerable.

In 2016, the Myanmar Overseas Employment Agencies Federation (MOEAF) launched a Code of Conduct for its members. The Code of Conduct was developed in collaboration with the Ministry of Labour, Immigration and Population and ILO/ TRIANGLE in ASEAN to encourage more ethical recruitment practices and fair and respectful procedures. As of December 2018, 183 of MOEAF's 263 members had signed the Code of Conduct, with rating of signatory compliance being piloted in 2020.

Thailand

On 20 August 2019, the Thai Cabinet approved the process for the renewal of work permits for at least 2 million migrant workers from Cambodia, Lao People's Democratic Republic, and Myanmar whose current work permit will expire either on 30 September 2019, 1 November 2019, or 31 March 2020. The Cabinet approval included provisions that (a) allowed migrant workers to renew their work permits without having to return to their country of origin; and (b) reduced the administrative burden for employers to hire migrant workers⁹. These provisions are likely to reduce the overall costs of migration, particularly as migrant workers will be saved the costs of having to return to their home country to renew their work permit and be spared a period without income as the result of such a trip. This is also a positive move for employers, who do not have to seek temporary workers during this time of absence.

However, at the same time, there are some concerning implications of the Cabinet approval regarding the provisions on the recruitment-related fees and costs to be paid by migrant workers. The Guideline for Migration Management 2019–2020, dated 29 August 2019 and approved by the Committee on the Migrant Worker Management Policy, stipulates that a range of recruitment-related costs – including visa fees, work permit fees, costs for medical check-ups, medical insurance fees, ID card issuance fees, and deposit fees, amounting to between THB7,280 and THB10,480¹⁰ (\$257–\$346) – should be paid by the migrant workers themselves¹¹. The breakdown of these costs are as follows:

9 Under these new requirements, employers only need to submit a request for employment of migrant workers to the Department of Employment.

10 The latter, higher cost applies to migrant workers employed in fishing, agriculture, domestic work, or other informal work, as they are required to cover their own medical health insurance.

11 https://www.doe.go.th/prd/alien/news/param/site/152/cat/7/sub/0/pull/detail/view/detail/object_id/31904

- ▶ visa fee: THB3,800 for two years (official fee is set to THB1,900/year);
- ▶ work permit fee: THB1,900 for two years, including administrative process fee;
- ▶ medical check-ups: THB500;
- ▶ medical insurance fee: varies between zero, THB500, and THB3,200 per year;¹²
- ▶ ID card issuance fee: THB80; and
- ▶ deposit fees: THB1,000.

It is clear that placing the burden on migrant workers to pay these costs and fees runs contrary to the ILO's *General principles and operational guidelines for fair recruitment*, which state that no recruitment fees or related costs should be charged or otherwise borne by workers or jobseekers. It is also noted that the Government increased the visa fee from THB500¹³ for a two-year work visa to THB1,900 per year for the same type of visa. This runs contrary to global commitments to reduce recruitment and migration costs, as reflected in Sustainable Development Goal (SDG) Indicator 10.7.1.

12 Note that this varies significantly depending on the entitlement of the social security. Workers who are already registered social security contributors do not need to pay any medical insurance. Workers who are not entitled to the social security benefit are requested to cover one year of medical insurance at a cost of THB3,200. A worker who is entitled to social security benefits but is a first-time registrant is requested to cover three months medical insurance at THB500 (a grace period of the Social Security Office before taking effect).

13 For those entering under the Memorandum of Understanding (MOU) process.



▶ 02

► Survey design, questionnaire, and profile of respondents

2.1 Sampling and data collection

A total of 1,200 migrant workers in seven provinces in Thailand – Bangkok, Chiang Mai, Chonburi, Kanchanaburi, Rayong, Surat Thani, and Tak – were surveyed from July to September 2018 for this study. Data was collected using the World Bank Group's Computer-Assisted Personal Interviewing (CAPI) system, Survey Solutions. The sample was selected using a mixture of multi-stage random sampling and purposive sampling. Stratification was done by gender, sector of employment, and province of employment, and included both regular and irregular migrant workers. In addition, ten semi-structured interviews with migrant workers were conducted. The sampling design was in part based on official data on migrant workers who were granted work permits in Thailand in April 2017. However, the sampling plan had to be designed to also consider irregular migrant workers, who tend to be distributed differently from regular ones. There was also a need to ensure quotas were met based on country of origin and work sector. The final sampling distribution is shown in table 1.

► TABLE 1.

Final sampling plan

Location	Total	Domestic work	Agriculture	Construction	Myanmar	Cambodia	Lao PDR
Greater Bangkok	491	308	-	183	264	-	227
Surat Thani	125	-	125	-	50	-	75
Chonburi	200	-	-	200	-	200	-
Tak	51	-	-	51	51	-	-
Chiang Mai	101	51	49	1	101	-	-
Kanchanaburi	52	1	51	-	52	-	-
Rayong	180	1	179	-	-	180	-
Total	1 200	361	404	435	518	380	302

► - = nil

The original sampling plan aimed for an even sample split of 400 per sector, represented by 500 migrant workers from Myanmar, 400 from Cambodia, and 300 from the Lao People's Democratic Republic. However, the sampling plan had to be adjusted slightly during fieldwork due to difficulty in finding migrant workers from some countries and sectors.

2.2 Respondents

Of the 1,200 migrant workers who were interviewed for the survey, 518 (43 per cent) were from Myanmar, 380 (32 per cent) from Cambodia, and 302 (25 per cent) from the Lao People's Democratic Republic (table 2). This does not correspond to the estimated actual shares of each origin country among all migrant workers in Thailand, as per the official data presented in section 1.2 above. The overall averages (e.g., costs or wages) discussed below should thus be viewed as indicative rather than an actual estimate of the true averages.

Their main use is in the comparison across different groups (by country of origin, migration status, sex, province of employment, etc.).

To minimize errors linked to recollection (e.g., migration-related costs that occurred prior to migration) and exchange rate fluctuations, only migrant workers who had arrived in Thailand during the 24-month period from 1 July 2015 to 30 June 2017 were included in the survey.

As indicated in table 2, by province of employment in Thailand, 41 per cent of those surveyed worked in Bangkok, 17 per cent in Chonburi, 15 per cent in Rayong, 10 per cent in Surat Thani, 8 per cent in Chiang Mai, and the rest in Tak and Kanchanaburi. The respondents were close to evenly distributed across sectors, with 36 per cent in construction, 34 per cent in agriculture, and 30 per cent in domestic work. By sex, 54 per cent of the respondents were female and 46 per cent were males. About 36 per cent of the respondents were in the 30–39 age group, about 25 per cent each were in the 18–24 and 25–29 age groups, and 15 per cent were in the 40–55 age group. Most of the respondents had low schooling, with 32 per cent reporting no schooling at all, 30 per cent incomplete primary or elementary, 26 per cent completing primary, and only 12 per cent reaching at least secondary school. Appendix table 1 shows a further breakdown by sex across all the other variables.

Of note are the following:

- ▶ by country of origin, the respondents from the Lao People’s Democratic Republic are predominantly female, whereas the share by sex is more evenly distributed among respondents from the two other countries of origin;
- ▶ by province of employment, the respondents are largely female in Greater Bangkok and Chiang Mai, but largely male in Chonburi and Tak;
- ▶ by education, the share of females is larger among those with relatively more education;
- ▶ by sector of employment, domestic work is dominated by females but construction is dominated by males; and
- ▶ by age group, among those who are in the younger age groups the share of females is larger.

Appendix table 2 shows a breakdown of the sample by migration status, regular and irregular¹⁴. The table shows that, of the total sample, 432 (36 per cent) had regular status and 768 (64 per cent) had irregular status. The proportion of regular migrants varied widely across countries of origin, and was very low for Cambodia (only 13 per cent regular), but significantly higher for Myanmar (42 per cent) and the Lao People’s Democratic Republic (55 per cent). There is also wide variation in the proportion of regular migrants by province of employment, from a high of 63 per cent in Greater Bangkok to only 9 per cent in Rayong and 2 per cent in Kanchanaburi. By sector of employment, the proportion of regular migrants was lowest in agriculture. By education, those with no schooling, and by age, those in the youngest age group, had the lowest proportions of regular migrants.

¹⁴ The description and breakdown of regular and irregular migrants are given in section 3.5 below.

▶ TABLE 2.

Breakdown of sample by selected characteristics

Characteristic	No. of respondents	Share of all respondents (n=1 200) (%)
▶ Country of origin		
Cambodia	380	32
Myanmar	518	43
Lao PDR	302	25
▶ Province of employment in Thailand		
Greater Bangkok	491	41
Surat Thani	125	10
Chonburi	200	17
Tak	51	4
Chiang Mai	101	8
Kanchanaburi	52	4
Rayong	180	15
▶ Sex		
Male	549	46
Female	651	54
▶ Education		
No schooling	380	32
Incomplete primary/elementary	363	30
Primary	313	26
Secondary ¹ /Intermediate middle ² / Low secondary ³	117	10
At least High school ¹ / Secondary high school ² / Upper secondary ³	27	2
▶ Sector of employment in Thailand		
Domestic work	361	30
Agriculture	404	34
Construction	435	36
▶ Age		
18–24	297	25
25–29	298	25
30–39	426	36
40–55	179	15

▶ 1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic

For purposes of the analyses in the next section, it is important to note that country of origin, the province of employment in Thailand, and the sector of employment in Thailand are highly correlated in the sample. This was in line with the sampling plan, which aimed to spread the sample over a larger geographic area while at the same time targeting the larger segments of migrants in each area based on set quotas on sector of employment and country of origin. Since interpreters had to be used for most interviews, the sampling plan also took into account certain operational efficiencies by focusing on certain countries of origin in specific regions. All those surveyed in Chonburi and Rayong were from Cambodia (table 3a). All the respondents in Tak, Chiang Mai, and Kanchanaburi were from Myanmar, and the respondents in Greater Bangkok and Surat Thani were only either from Myanmar or the Lao People's Democratic Republic. Similarly, all those surveyed in Surat Thani and practically all those surveyed in Kanchanaburi and Rayong worked in agriculture (table 3b). All the respondents in Chonburi and Tak were in construction. Respondents in Greater Bangkok were either in domestic work or construction, and practically all the respondent in Chiang Mai were in domestic work or agriculture. Finally, all the respondents from the Lao People's Democratic Republic were either in domestic work or agriculture, whereas practically all respondents from Cambodia were either in agriculture or construction. Respondents from Myanmar were spread out across the three different sectors (table 3c).

The correlation among the three variables implies that in those analyses that use them simultaneously in a regression, the estimated effect of one of these variables can change radically depending on whether the others are included or not. This could have significant implications when using the results for targeting interventions, for example.

► TABLE 3a.

Breakdown of sample by province of employment and country of origin

Province of employment in Thailand	Country of origin			
	Cambodia (n=380)	Myanmar (n=518)	Lao PDR (n=302)	Total (n=1,200)
Greater Bangkok	-	264	227	491
Surat Thani	-	50	75	125
Chonburi	200	-	-	200
Tak	-	51	-	51
Chiang Mai	-	101	-	101
Kanchanaburi	-	52	-	52
Rayong	180	-	-	180

► - = nil

▶ TABLE 3b.

Breakdown of sample by province of employment and sector of employment

Province of employment in Thailand	Sector of employment			
	Domestic work (n=361)	Agriculture (n=404)	Construction (n=435)	Total (n=1,200)
Greater Bangkok	308	-	183	491
Surat Thani	-	125	-	125
Chonburi	-	-	200	200
Tak	-	-	51	51
Chiang Mai	51	49	1	101
Kanchanaburi	1	51	-	52
Rayong	1	179	-	180
Total	361	404	435	1 200

▶ - = nil

▶ TABLE 3c.

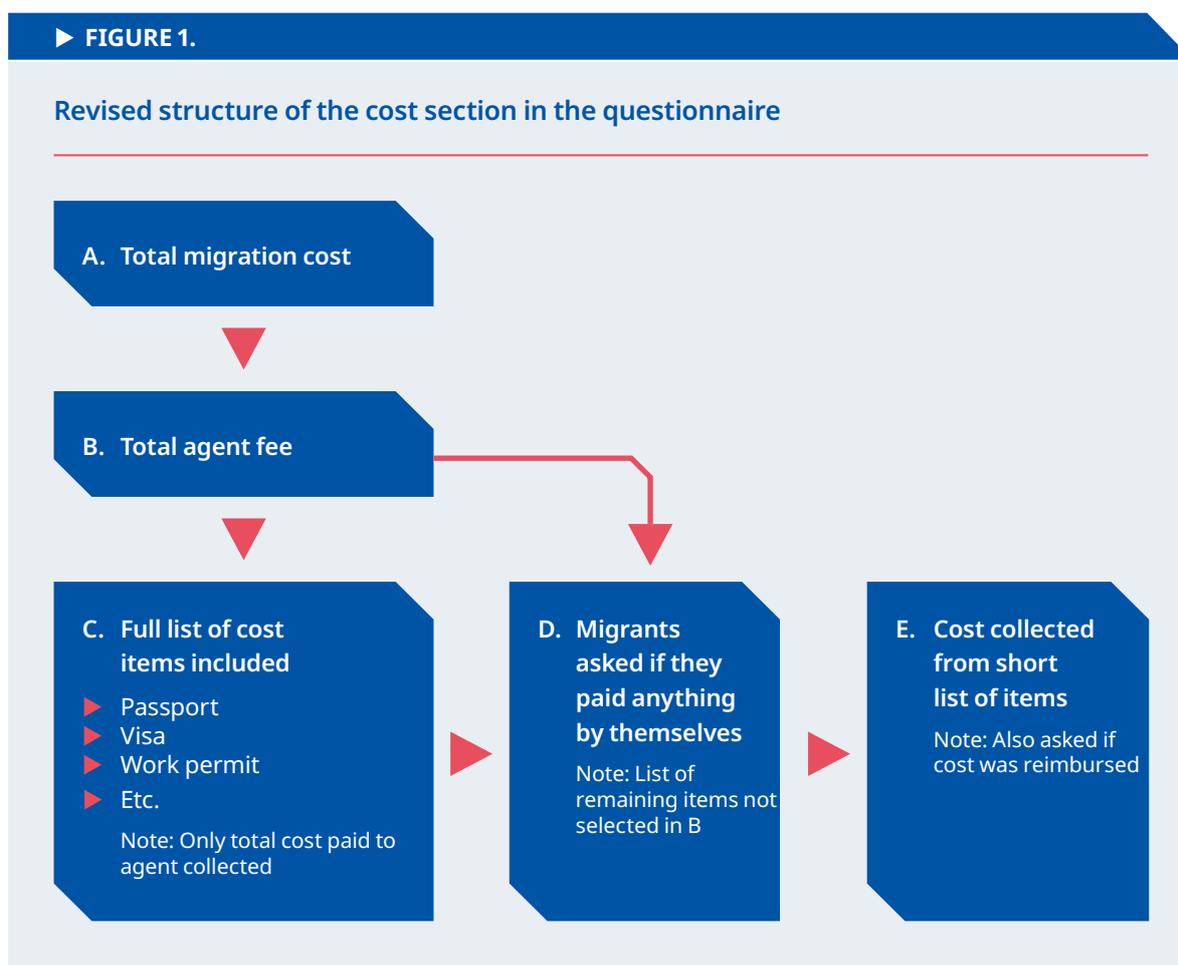
Breakdown of sample by country of origin and sector of employment

Province of employment in Thailand	Sector of employment			
	Domestic work (n=361)	Agriculture (n=404)	Construction (n=435)	Total (n=1,200)
Cambodia	1	179	200	380
Lao PDR	227	75	-	301
Myanmar	133	150	235	518

▶ - = nil

2.3 Questionnaire

The standard KNOMAD questionnaire was used as the basis for the Thailand survey, but was adapted to respond to the specific situations of migration into Thailand, including the specifics of the migration processes and employment typical in the region; policies and regulations that may affect costs; and the extent of undocumented migration. The structure of the migration cost section in the questionnaire was also reconfigured to ensure better flow, and CAPI programming was used to avoid duplication of cost data.¹⁵ Total migration cost was collected first, followed by any agent fees. These were consequently broken down by categories (figure 1). The questionnaire was translated into Burmese, Khmer, and Lao and pre-tested before finalization. The various versions of the questionnaire were reviewed by a KNOMAD expert¹⁶ to ensure full compliance and comparability with the standard KNOMAD questionnaire. The final version of the Thailand questionnaire is available from the ILO TRIANGLE in ASEAN programme upon request.



The survey questionnaire was divided into the following six sections:

- ▶ screening items (to ensure respondent falls within the target population);
- ▶ migration background;
- ▶ cost of finding a job in Thailand;
- ▶ borrowing money for migration;
- ▶ employment conditions and remittances; and
- ▶ job environment.

¹⁵ Survey Solutions have several programming features that allows the questionnaire designer to skip or include questions based on previous answers.

¹⁶ Mr Manolo Abella.

The questions on migration background include information on whether the migrant worker passed through an official border; whether they had a job arranged before entering Thailand; whether the migrant worker changed employers; and whether they had a written contract for their first job. The questions on the cost of finding a job in Thailand include information on total costs; the method of migration to Thailand; whether the migrant worker paid a broker or agent; and the specific cost items paid for by the worker. The Thai baht (THB)–US dollar (\$) exchange rate of THB33.94 to \$1 was used to convert monetary amounts stated in baht into US dollars.

The questions on borrowing money include information on whether the migrant borrowed money in order to migrate to work in Thailand; where they borrowed money; how much they borrowed and paid in interest; and whether they experienced difficulties as a result of borrowing money. The questions on employment conditions and remittances include information on number of days worked per week and number of hours worked per working day; earnings; whether the worker was paid overtime; whether deductions were made on migrant's salaries for costs incurred in migration; and enrollment in government or private sector benefit scheme. The questions on job environment include information on labour rights in the current job, participation in a labour union, and documents possessed by the migrant worker.

2.4 Comparison with an earlier survey on recruitment costs in Thailand

While this is probably the only survey conducted to date with the sole purpose of measuring the cost of recruitment from Cambodia, Lao PDR and Myanmar to Thailand, there have been other broader studies that have included components on recruitment costs and fees. Most recently, the ILO and the International Organization for Migration commissioned a survey of 1,808 migrant workers in 2016 in four origin countries – namely Cambodia, the Lao People's Democratic Republic, Myanmar, and Viet Nam – who had worked in either Thailand (79 per cent of workers surveyed) or Malaysia (21 per cent) (Harkins, Lindgren, and Suravoranon, 2017). While this study covered a range of migration related topics, it also included a few questions on recruitment costs and fees. Among the findings from that survey are the following:

- ▶ The average cost of recruitment to Thailand was \$251 (equivalent to about a month's salary).
- ▶ By origin country, the average cost of recruitment was highest for those coming from Myanmar (\$400), followed by those from Viet Nam (\$276), then Cambodia (\$211), with the lowest cost for those coming from the Lao People's Democratic Republic (\$171).
- ▶ The cost of recruitment to Thailand was substantially lower than the cost of recruitment to Malaysia (\$3,163, or about 3.8 months' wages).

The current survey differs in several important respects from the 2016 survey. For one, in the current survey, migrant workers were surveyed in Thailand rather than in their origin countries. This change has the potential to reduce selection bias (depending on the selection criteria used) as those migrant workers who are have already returned to their origin countries are more likely to share common characteristics, such as having had jobs with shorter contracts or having characteristics that make it more likely for them not to stay longer in Thailand, among others. The new survey also attempted to have a more clearly defined target population, which is low-skilled migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar working in agriculture, construction, and domestic work who have worked in Thailand for 12 to 24 months. Furthermore, the questionnaire for the new survey was restructured and executed using the World Bank Group's CAPI system, which helped to minimize respondent fatigue and improve consistency. Perhaps most importantly, given the objective of accurately measuring the costs of migration, the new survey also tried to minimize double counting of cost items by identifying which items were covered by payment made to the recruitment agent or broker and which ones were directly paid by the migrant worker.



03

► Survey findings: Migrant status and mobility

3.1 Method of migration to Thailand: Agencies, brokers, friends, independently?

Among all the respondents, slightly more than one fifth migrated through a non-registered broker and only 14 per cent reported migrating through a licensed or registered recruitment agency, about the same share as those who migrated through friends or family (table 4a). Close to half reported being directly hired by an employer.

The patterns differed by country of origin. Almost none (1 per cent) of the workers from Cambodia migrated through a registered recruitment agency. Cambodian workers had the highest share of those who migrated through a non-registered broker (26 per cent). Two-thirds of Cambodian workers migrated through direct employment by an employer. Lao workers had the same share migrating through a registered recruitment agency as through a non-registered broker (20 per cent each), and had slightly more than half migrating via direct employment by employer. Myanmar workers had a smaller share migrating through non-registered brokers (though it was still 17 per cent) and direct employment by an employer (only 34 per cent), and a relatively higher share migrating through friends or family (24 per cent).

Females from the Lao People's Democratic Republic were much more likely than males to migrate via licensed recruitment agencies (26 per cent v. 1 per cent), but males were much more likely to migrate through direct employment by an employer (93 per cent to 37 per cent). Females from Cambodia were much more likely than males to migrate via non-registered brokers (31 per cent v. 21 per cent). Women workers from Myanmar, on the other hand, were much more likely to migrate via direct employment by employers compared to males (40 per cent v. 29 per cent).

▶ TABLE 4a.

How did you migrate to Thailand? – By country of origin and sex (%)

Method of migration to Thailand	Cambodia	Myanmar	Lao PDR	All origin countries
▶ All respondents (n=1,200)				
Through a licensed or registered recruitment agency	1	21	20	14
Through a non-registered broker	26	17	20	21
Direct employment by an employer	66	35	51	49
Through friends or family	7	24	8	14
Independently/on your own	2	3	2	2
▶ Male (n=549)				
Through a licensed or registered recruitment agency	0	23	1	11
Through a non-registered broker	21	16	4	16
Direct employment by an employer	70	29	93	54
Through friends or family	6	28	0	16
Independently/on your own	2	3	1	3
▶ Female (n=651)				
Through a licensed or registered recruitment agency	1	18	26	16
Through a non-registered broker	31	19	25	24
Direct employment by an employer	59	40	37	44
Through friends or family	7	20	10	13
Independently/on your own	1	3	2	2

By migration status, table 4b shows clearly that regular migrants were much more likely to migrate via a licensed or registered recruitment agency compared to irregular migrants (31 per cent compared to less than 10 per cent for each of the three groups of irregular migrants). Fully irregular migrants were also more likely to migrate through a non-registered broker. By sex and migration status, females who are fully irregular were the most likely to migrate via a non-registered broker; while females who are regular were also the most likely to migrate via registered recruitment agencies.

▶ TABLE 4b.

How did you migrate to Thailand? – By migration status and sex (%)

Method of migration to Thailand	Level 1: Regular (nmf=432) (%)	Level 2: Irregular, NV completed (nmf =197) (%)	Level 3: Irregular, NV ongoing (nmf =163) (%)	Level 4: Fully irregular (nmf =408) (%)	Across all statuses (nmf =1,200) (%)
▶ All respondents (n=1,200)					
Through a licensed or registered recruitment agency	31	6	9	2	14
Through a non-registered broker	18	7	16	32	21
Direct employment by an employer	31	59	60	57	49
Through friends or family	16	26	12	8	14
Independently/on your own	3	1	3	1	2
▶ Male (n=549)					
	(nm=196)	(nm=85)	(nm=63)	(nm=205)	(nm=549)
Through a licensed or registered recruitment agency	25	5	11	1	11
Through a non-registered broker	9	7	8	30	16
Direct employment by an employer	38	56	70	62	54
Through friends or family	23	31	6	5	16
Independently/on your own	4	1	5	1	3
▶ Female (n=651)					
	(nf=236)	(nf=112)	(nf=100)	(nf=203)	(nf=651)
Through a licensed or registered recruitment agency	36	7	8	2	16
Through a non-registered broker	25	7	21	33	24
Direct employment by an employer	25	62	54	52	44
Through friends or family	11	23	15	10	13
Independently/on your own	3	1	2	2	2

By sector of employment, table 4c shows that those employed in agriculture were the least likely to migrate via a licensed recruitment agency (only 1 per cent) and the most likely to migrate via a non-registered broker (34 per cent). Those in domestic work were the most likely to migrate via friends or family (20 per cent) compared to the other two sectors, and those in construction were the most likely to have migrated via a licensed recruitment agency.

▶ TABLE 4c.

How did you migrate to Thailand? – By sector of employment and sex (%)

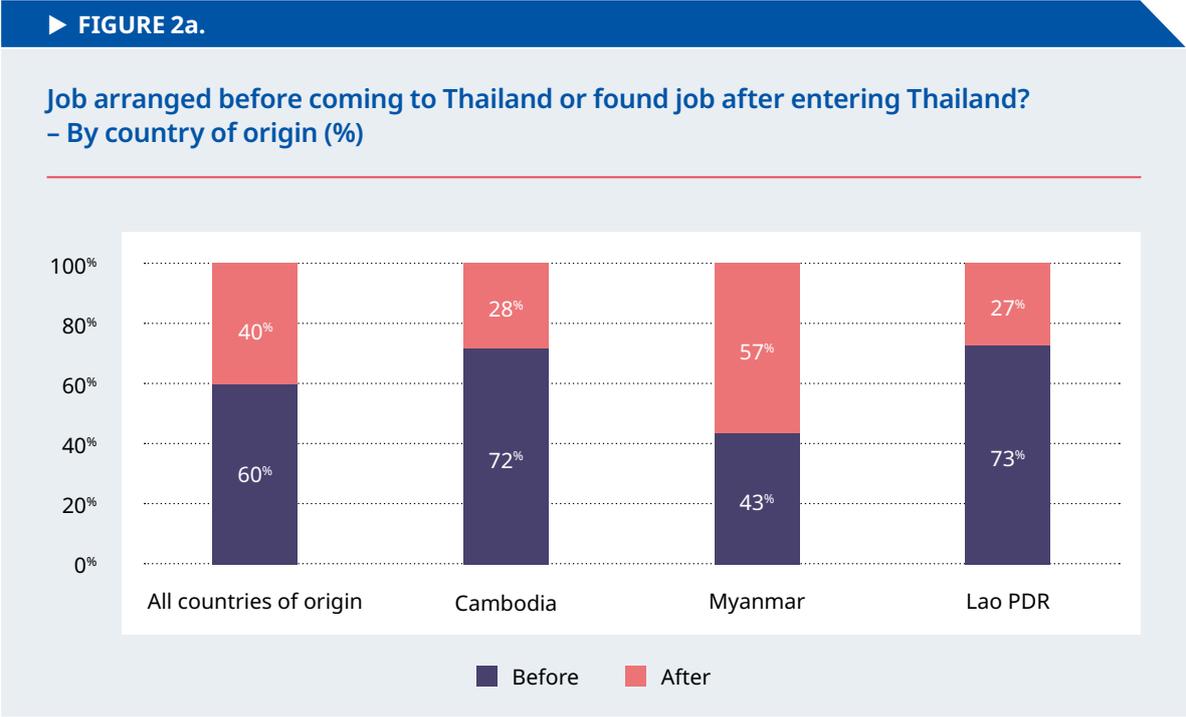
Method of migration to Thailand	Domestic work (%)	Agriculture (%)	Construction (%)	All sectors (%)
▶ All respondents (n=1,200)				
Through a licensed or registered recruitment agency	19	1	23	14
Through a non-registered broker	22	34	7	21
Direct employment by an employer	36	52	56	49
Through friends or family	20	11	12	14
Independently/on your own	3	2	2	2
▶ Male (n=549)				
Through a licensed or registered recruitment agency	2	1	21	11
Through a non-registered broker	11	30	8	16
Direct employment by an employer	56	55	53	54
Through friends or family	29	11	16	16
Independently/on your own	3	3	2	3
▶ Female (n=651)				
Through a licensed or registered recruitment agency	23	1	25	16
Through a non-registered broker	24	38	6	24
Direct employment by an employer	31	49	63	44
Through friends or family	19	11	6	13
Independently/on your own	3	1	1	2

3.2 Job arranged before entering Thailand?

Workers who have jobs arranged for them before they come to Thailand – other things remaining the same – can be expected to be better off because they face less uncertainty about their job status and what jobs they can get once in Thailand as well as less uncertainty on the total costs they would incur for getting the job.

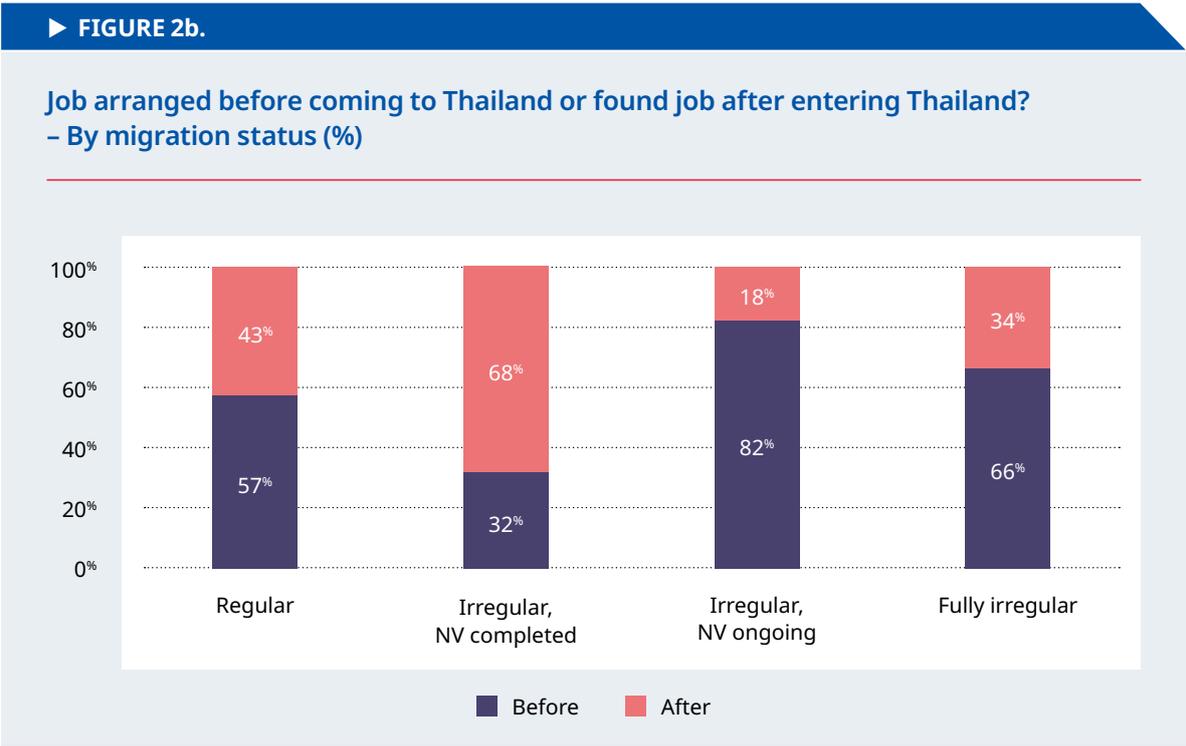
Most of the migrant workers surveyed (60 per cent) had jobs already arranged for them before they came to Thailand (figure 2a). But it varies significantly by country of origin and even more by the province of employment of the worker in Thailand.¹⁷ The great majority of Cambodian and Lao workers in the survey (72 per cent and 73 per cent, respectively) had jobs arranged for them before they came to Thailand. It was the other way around for Myanmar workers with 57 per cent of respondents having found a job only after entering Thailand.

¹⁷ Of course, as has been noted in the previous section, migrant workers' country of origin is very much related to their region of employment in Thailand.



By migration status, surprisingly only 57 per cent of regular migrants reported having jobs arranged for them before coming to Thailand (figure 2b), which is lower compared to irregular migrants in the midst of national verification (NV) (82 per cent) and fully irregular migrants (66 per cent). Only those irregular migrants with completed NV had a lower proportion with jobs arranged before coming to Thailand, at 32 per cent.

Almost all migrant workers surveyed in Surat Thani (98 per cent) and Chonburi (98 per cent) had jobs arranged for them before they arrived in Thailand (table 5). In stark contrast, almost all those surveyed in Chiang Mai (95 per cent) found jobs only after entering Thailand. In Tak, Kanchanaburi, and Rayong, the majority of workers found jobs only after entering Thailand, but in Greater Bangkok, a majority of workers had jobs arranged for them before arriving in Thailand.



Migrant workers in agriculture and domestic work are more likely than those in construction to have found a job only after entering Thailand (table 5). Those with no schooling, those who are in the youngest age group (18–24 years old), and, to a lesser extent, those who are females are also more likely to have found a job only after entering Thailand.

▶ **TABLE 5.**

Job arranged before coming to Thailand or found job after entering Thailand? – By other respondent characteristics (%)

Characteristic	Before (%)	After (%)	No. of respondents
▶ Province of employment in Thailand			
Greater Bangkok	57	43	491
Surat Thani	98	2	125
Chonburi	98	2	200
Tak	25	75	51
Chiang Mai	5	95	101
Kanchanaburi	40	60	52
Rayong	42	58	180
▶ Sex			
Male	63	37	549
Female	57	43	651
▶ Education			
No schooling	50	50	380
Incomplete primary/elementary	66	34	363
Primary	62	38	313
At least Secondary ¹ / Intermediate middle ² / Low secondary ³	64	36	144
▶ Sector of employment in Thailand			
Domestic work	57	43	361
Agriculture	55	45	404
Construction	66	34	435
▶ Age			
18–24	53	47	297
25–29	60	40	298
30–39	65	35	426
40–55	58	42	179
▶ All respondents			
Total	60	40	1 200

▶ 1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic

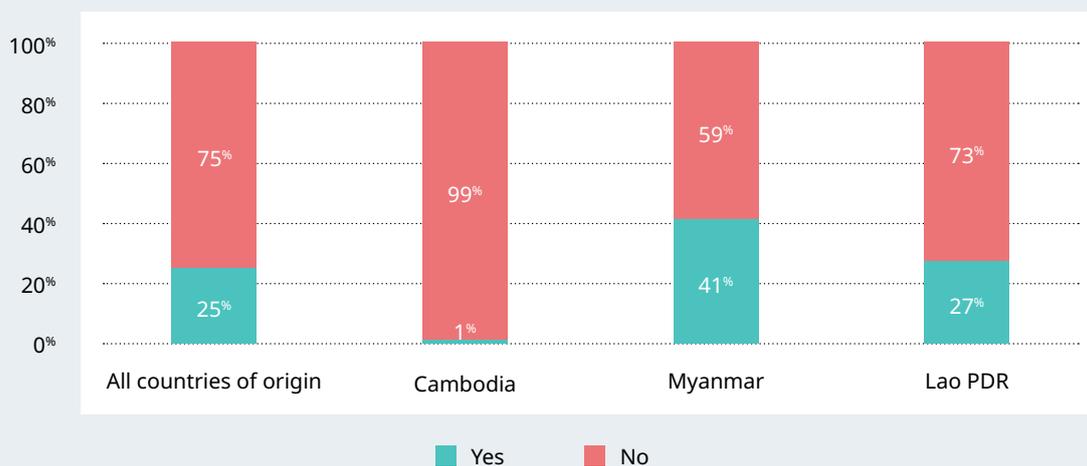
Further, it is worth noting that female migrant workers from Myanmar and Cambodia are substantially less likely than their male counterparts to have had jobs arranged for them beforehand (appendix table 3). Among those in the 15–24 age group and among those employed in domestic work, females are likewise significantly less likely to have had jobs arranged for them beforehand.

3.3 Had written contract when starting work in Thailand?

Only one-out-of-four migrant workers surveyed had a written contract when they started to work in Thailand, but the prevalence of written contracts varied greatly across country of origin (figure 3a). A substantial share of the workers from Myanmar (41 per cent) had a written contract when they started working. A smaller share of workers from the Lao People's Democratic Republic (27 per cent) had a contract, but practically none of the workers from Cambodia (1 per cent) had a written contract when they started working in Thailand.

► FIGURE 3a.

Did you receive a written contract when you started work in Thailand?
– By country of origin (%)

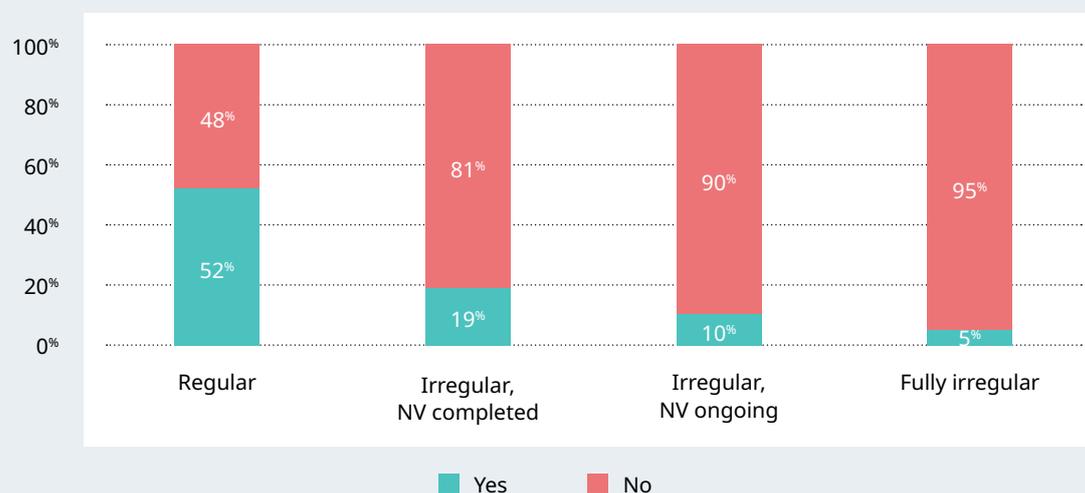


Possession of a contract before the migrant started working in Thailand is strongly linked to migration status. Fifty-two per cent of regular migrants reporting having had such contracts, but substantially fewer irregular migrants reported this to be the case – in fact only 5 per cent of fully irregular migrants reported having a contract prior to starting work in Thailand (figure 3b).

Outside of Greater Bangkok, in all the sampled regions, the majority of migrant workers did not have a written contract when they started working in Thailand (table 6). Tak is the only other province with a relatively high share (43 per cent) of migrant workers with a written contract when they started working in Thailand. But none of the respondents employed in Surat Thani and Chonburi, and just a few of the respondents in Rayong and Chiang Mai had a written contract. Note, however, that as discussed earlier, migrant workers in Greater Bangkok are also more likely to be regular migrants. Per table 6 below, possession of contract also appears to be correlated with sector of employment, as those in construction had a much larger share with a contract (42 per cent), when compared to those in domestic work (28 per cent) and especially agriculture (only 4 per cent).

► FIGURE 3b.

Did you receive a written contract when you started work in Thailand? – By migration status (%)



Among those who had a contract, most signed the contract in Thailand (87 per cent) rather than before coming to Thailand. Very few (2 per cent) of those who had a contract reported getting a job that was different from what was specified in the contract. These few respondents mainly cited differences in the location of employment and differences in wages. There is no significant difference between male and female migrants overall with regard to the likelihood of having a written contract. But women with no schooling, male domestic workers¹⁸, and male Cambodian workers have significantly lower proportions who had a written contract when they started work compared to their opposite gender counterparts (appendix table 5).

► TABLE 6.

Did you receive a written contract when you started work in Thailand? – By other respondent characteristics (%)

Characteristic	Yes (%)	No (%)	No. of respondents
► Province of employment in Thailand			
Greater Bangkok	53	47	491
Surat Thani	0	100	125
Chonburi	0	100	200
Tak	43	57	51
Chiang Mai	6	94	101
Kanchanaburi	21	79	52
Rayong	3	97	180

¹⁸ See footnote 3 in section 1.2 above for a definition of domestic workers.

Characteristic	Yes (%)	No (%)	No. of respondents
▶ Sex			
Male	24	76	549
Female	26	74	651
▶ Education			
No schooling	15	85	380
Incomplete primary/elementary	36	64	363
Primary	25	75	313
Secondary ¹ /Intermediate middle ² / Low secondary ³	26	74	117
At least High school ¹ / Secondary high school ² / Upper secondary ³	22	78	27
▶ Sector of employment in Thailand			
Domestic work	28	72	361
Agriculture	4	96	404
Construction	42	58	435
▶ Age			
18–24	22	78	297
25–29	33	67	298
30–39	25	75	426
40–55	19	81	179
▶ All respondents			
Total	25	75	1 200

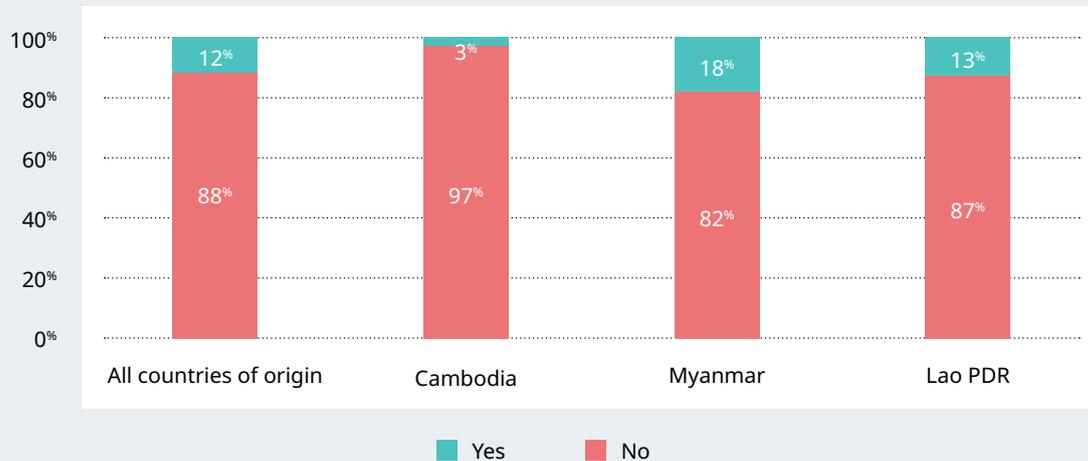
▶ 1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic

3.4 Changed employer since arriving in Thailand?

Overall, only a small minority of the migrant workers surveyed (12 per cent) have changed employer since arriving in Thailand (figure 4a), although there are noticeable variations by country of origin and by other personal and employment characteristics of the workers. It should be noted, however, that the survey only interviewed migrant workers who had arrived in Thailand within the past 12–24 months. Almost all workers from Cambodia (97 per cent) have stayed with the same employer; whereas for workers from Myanmar and the Lao People's Democratic Republic, the shares of such workers – though still high – are noticeably lower (82 per cent for Myanmar and 87 per cent for Lao workers).

▶ FIGURE 4a.

Have you changed your employer since arriving in Thailand? – By country of origin (%)

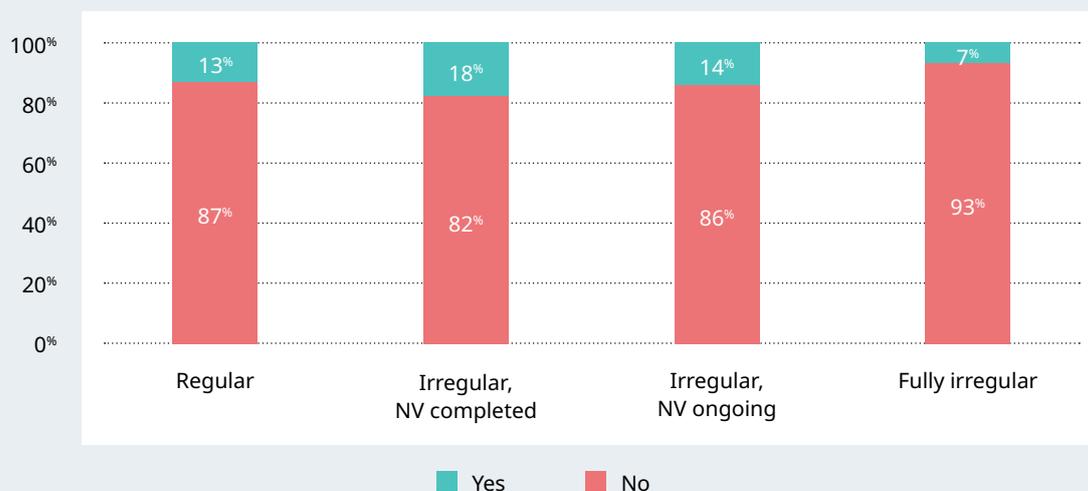


By migration status, those who were fully irregular were the ones least likely to have changed employer since arriving in Thailand (figure 4b). But regular migrants are not more likely to have changed employer compared to the other types of irregular migrants.

Those migrants employed in Chiang Mai and Greater Bangkok are more likely to have changed employer than those employed in other regions (table 7). Those in domestic work and those who are older are also more likely to have changed employer. To a lesser extent, those with low education levels and males are also more likely to have changed employer.

▶ FIGURE 4b.

Have you changed your employer since arriving in Thailand? – By migration status (%)



Half of those who reported changing employer reported no cost to changing jobs. The reported mean cost of changing jobs was THB1,121 (\$33), including those who reported zero cost; while the median cost was THB150 (\$4.40).

▶ TABLE 7.

Have you changed your employer since arriving in Thailand? – By other respondent characteristics (%)

Characteristic	Yes (%)	No (%)	No. of respondents
▶ Province of employment in Thailand			
Greater Bangkok	18	82	491
Surat Thani	10	90	125
Chonburi	0	100	200
Tak	8	92	51
Chiang Mai	22	78	101
Kanchanaburi	13	87	52
Rayong	6	94	180
▶ Sex			
Male	13	87	549
Female	11	89	651
▶ Education			
No schooling	12	88	380
Incomplete primary/elementary	14	86	363
Primary	10	90	313
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	11	89	144
▶ Sector of employment in Thailand			
Domestic work	20	80	361
Agriculture	9	91	404
Construction	7	93	435
▶ Age			
18–24	6	94	297
25–29	10	90	298
30–39	15	85	426
40–55	18	82	179
▶ All respondents			
Total	12	88	1 200

▶ 1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic

3.5 Migration status

As noted in chapter 2, the data were collected during July to September 2018, during which time the NV process was still ongoing and irregular migrant workers were requested to undergo and complete the registration process to formalize their status. Therefore, this survey classifies migrant status into five categories based on migration status:

1. those migrants who went through the formal MOU process (regular MOU);
2. those who entered with a border pass (regular border pass);
3. those who entered Thailand irregularly but decided to regularize their status through the NV process and have already completed the process (“irregular NV completed”);
4. those who are similar to (3) but have not yet completed the process (“irregular NV ongoing”); and
5. those that entered irregularly and have made no attempt to change their status (fully irregular).

For the sake of this report, we classify those belonging to groups (1) or (2) as regular migrants, in the sense that they entered Thailand through regular channels. Those belonging to (3), (4), or (5) are classified as irregular migrants, in the sense that they entered through irregular channels (although many regularized their status later). In the actual sample there were only three observations under group (2); so we have included them under group (1) and do not treat them as separate.

Of the total migrant workers surveyed, 36 per cent were regular migrants; 16 per cent were irregular NV completed migrants; 14 per cent were irregular NV ongoing migrants; and 34 per cent were fully irregular migrants (table 8). There is a huge discrepancy by country of origin, as four-fifths of those from Cambodia were fully irregular; whereas in the case of the Lao People’s Democratic Republic the majority were regular migrants, and for Myanmar a plurality of 42 per cent were regular migrants.

By age, those in the 25–29 age group had the highest proportion of regular migrants (47 per cent), and those in the 40–55 age group had the highest proportion of fully irregular migrants. By sex, males and females had an equal proportion of regular migrants, but males had a higher share of fully irregular migrants (37 per cent, as opposed to 31 per cent for females) (table 8). By education, those with no schooling had a majority (55 per cent) who were fully irregular. By sector employment in Thailand, those who work agriculture were more likely to be fully irregular (52 per cent), although those in construction also have a large share (40 per cent).

▶ TABLE 8.

Breakdown of migration status by respondent characteristics (%)

Characteristic	Level 1: Regular (n=432) (%)	Level 2: Irregular, NV completed (n=197) (%)	Level 3: Irregular, NV ongoing (n=163) (%)	Level 4: Fully irregular (n=408) (%)	Across all statuses (n=1,200)
▶ Country of origin					
Cambodia	13	4	3	80	380
Lao PDR	55	2	38	6	302
Myanmar	42	34	8	17	518
▶ Province of employment in Thailand					
Greater Bangkok	63	12	21	5	491
Surat Thani	38	0	26	35	125
Chonburi	16	0	1	84	200
Tak	24	61	6	10	51
Chiang Mai	15	82	1	2	101
Kanchanaburi	2	17	25	56	52
Rayong	9	9	4	77	180
▶ Age					
18–24	28	27	15	31	297
25–29	47	14	11	28	298
30–39	37	12	16	36	426
40–55	30	15	9	46	179
▶ Education					
No schooling	21	18	6	55	380
Incomplete primary/elementary	48	7	19	27	363
Primary	38	24	17	20	313
at least Secondary ¹ / Intermediate middle ² /Low secondary ³	40	20	13	26	144
▶ Sector of employment in Thailand					
Domestic work	46	23	24	7	361
Agriculture	18	16	14	52	404
Construction	44	11	5	40	435
▶ Sex					
Male	36	15	11	37	549
Female	36	17	15	31	651
▶ All respondents					
Total	36	16	14	34	1 200

▶ 1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic



▶ 04

► Survey findings: Recruitment fees and related costs

4.1 How much did it cost to come to work in Thailand?

The mean total cost for a migrant worker from the three origin countries to come and work in Thailand was \$461 (table 9a). The mean total cost was highest for workers from Cambodia (\$517), followed closely by workers from the Lao People's Democratic Republic (\$503), and trailed by some distance by workers from Myanmar (\$394).

By migration status, regular migrants paid the highest recruitment costs, at \$497 on average; followed by fully irregular migrants (\$474); then those who were irregular NV ongoing (\$449); with those irregular NV completed having paid the least, at \$364 on average (table 9b). The patterns related to migration status are similar when one looks at males and females separately. The recruitment costs incurred were especially high among those who migrated through regular channels while having to pay a recruitment agency or broker in both Thailand and their country of origin.

The total cost paid by the worker appears to be strongly related to whether the worker went through an agency or broker, with those not making a payment to an agency or broker paying much less in total cost – by more than \$100, on average, across the sample. This was especially true in the cases of Cambodia (\$205 vs. \$517) and the Lao People's Democratic Republic (\$235 vs. \$503), where on average, respondents who did not use an agent or broker paid less than half of those who did. In the case of Myanmar, the difference in what was paid by those who did not use an agency/broker and those who did is noticeably less (\$368 vs. \$394). The variation also appears to be correlated with where the payment to an agency or broker occurred. In the case of workers from Myanmar and the Lao People's Democratic Republic, those who made payment to an agency or broker both in the home country and in Thailand paid much more in total costs (perhaps as a consequence of two service charges) than those who paid only in one location. In the case of Cambodia, the highest total costs were paid by those who paid an agency or broker in Thailand but not in the home country. The patterns are roughly similar when data are further disaggregated into males and females (table 9a).

By sector of employment, those in construction incurred the highest recruitment costs, at \$489 on average; followed by those in domestic work at \$461; and then those in agriculture at \$431 (table 9c). This pattern is also true when looking only at females, although in the case of males those in domestic work and construction incurred roughly the same recruitment costs, on average; while those in agriculture incurred significantly less.

By country of origin and migration status, those who migrated through regular channels paid the highest recruitment costs in all countries of origin at \$592 for Cambodia, \$543 for the Lao People's Democratic Republic, and \$441 for Myanmar (table 9d). The pattern holds for both male and female migrant workers. Among respondents from Cambodia and the Lao People's Democratic Republic, irregular NV completed migrant workers paid the lowest recruitment costs, on average (\$281 and \$304 respectively), but in the case of Myanmar the lowest recruitment costs were paid by those who were fully irregular (\$317).

▶ TABLE 9a.

How much did it cost to come to work in Thailand? – Average cost by country of origin, where agent/broker payment was made, and sex (US\$)

Where payment was made to agency or broker	Cambodia (US\$)	Myanmar (US\$)	Lao PDR (US\$)	All origin countries (US\$)
▶ All respondents (n=1,200)				
In origin country only and not in Thailand	476	404	454	422
In Thailand only and not in origin country	547	377	528	508
In both origin country and Thailand	515	463	613	546
No payment to agency or broker	205	368	235	328
Among all respondents	517	394	503	461
▶ Male (n=549)				
In origin country only and not in Thailand	489	418	405	428
In Thailand only and not in origin country	556	411	540	523
In both origin country and Thailand	499	483	635	529
No payment to agency or broker	196	375	0	351
Among all male respondents	525	409	553	473
▶ Female (n=651)				
In origin country only and not in Thailand	458	392	455	418
In Thailand only and not in origin country	536	340	518	491
In both origin country and Thailand	530	442	606	555
No payment to agency or broker	213	357	235	302
Among all female respondents	508	380	486	450

▶ TABLE 9b.

How much did it cost to come to work in Thailand? – Average cost by migration status, where agent/broker payment was made, and sex (US\$)

Where payment was made to agency or broker	Level 1: Regular (n=432) (US\$)	Level 2: Irregular, NV completed (n=197) (US\$)	Level 3: Irregular, NV ongoing (n=163) (US\$)	Level 4: Fully irregular (n=408) (US\$)	Across all statuses (n=1,200) (US\$)
▶ All respondents (n=1,200)					
In origin country only and not in Thailand	454	375	399	424	422
In Thailand only and not in origin country	600	429	449	493	508
In both origin country and Thailand	629	433	550	488	546
No payment to agency or broker	370	301	293	246	328
Among all respondents	497	364	449	474	461

Where payment was made to agency or broker	Level 1: Regular (n=432) (US\$)	Level 2: Irregular, NV completed (n=197) (US\$)	Level 3: Irregular, NV ongoing (n=163) (US\$)	Level 4: Fully irregular (n=408) (US\$)	Across all statuses (n=1,200) (US\$)
► Male (n=549)					
In origin country only and not in Thailand	472	371	406	435	428
In Thailand only and not in origin country	605	428	453	505	523
In both origin country and Thailand	612	453	551	486	529
No payment to agency or broker	383	316	279	256	351
Among all male respondents	510	362	452	490	473
► Female (n=651)					
In origin country only and not in Thailand	446	376	395	413	418
In Thailand only and not in origin country	592	430	447	480	491
In both origin country and Thailand	636	413	550	490	555
No payment to agency or broker	347	281	300	243	302
Among all female respondents	486	366	447	457	450

► TABLE 9c.

How much did it cost to come to work in Thailand? – Average cost by employment sector, where agent/broker payment was made, and sex (US\$)

Where payment was made to agency or broker	Domestic work (US\$)	Agriculture (US\$)	Construction (US\$)	All sectors (US\$)
► All respondents (n=1,200)				
In origin country only and not in Thailand	441	421	401	422
In Thailand only and not in origin country	522	435	573	508
In both origin country and Thailand	573	530	532	546
No payment to agency or broker	353	190	372	328
Among all respondents	461	431	489	461
► Male (n=549)				
In origin country only and not in Thailand	391	436	426	428
In Thailand only and not in origin country	562	451	568	523
In both origin country and Thailand	564	522	530	529
No payment to agency or broker	396	209	381	351
Among all male respondents	494	440	492	473
► Female (n=651)				
In origin country only and not in Thailand	444	402	366	418
In Thailand only and not in origin country	499	419	582	491
In both origin country and Thailand	574	538	538	555
No payment to agency or broker	335	168	325	302
Among all female respondents	453	421	482	450

▶ TABLE 9d.

How much did it cost to come to work in Thailand? – Average cost by migration status, country of origin, and sex (US\$)

Migration status	Cambodia (US\$)	Myanmar (US\$)	Lao PDR (US\$)	All origin countries (US\$)
▶ All respondents (n=1,200)				
Regular	592	441	543	497
Irregular, NV completed	281	374	304	364
Irregular, NV ongoing	420	394	470	449
Fully irregular	522	317	401	474
Among all respondents	517	394	503	461
▶ Male (n=549)				
Regular	617	447	647	510
Irregular, NV completed	320	368	-	362
Irregular, NV ongoing	408	426	470	452
Fully irregular	526	357	-	490
Among all male respondents	525	409	553	473
▶ Female (n=651)				
Regular	548	432	515	486
Irregular, NV completed	225	379	304	366
Irregular, NV ongoing	447	372	470	447
Fully irregular	518	277	401	457
Among all female respondents	508	380	486	450

▶ - = nil

4.2 Share of migrant workers making a payment to a recruitment agency or broker, and how much they paid

Despite the fact that Thailand's Royal Ordinance concerning the Management of Migrant Workers prohibits recruitment agencies from charging migrant workers fees for their services (see section 1.4 above), 54 per cent of all migrant workers reported that they had made a payment to a licensed or registered recruitment agency or an informal broker (who could be a relative or friend) in Thailand. Forty-three per cent reported that they only paid a Thai recruitment agency or broker, while an additional 11 per cent made a payment to a recruitment agency or broker in both their home country and in Thailand. About a third made such a payment in their country of origin but not in Thailand. As with the earlier variables, the patterns clearly differ by country of origin. Among Cambodian and the Lao respondents, 85 per cent and 64 per cent of workers, respectively, made a payment to a recruitment agency or broker in Thailand; while only 26 per cent of workers from Myanmar made a payment to a recruitment agency or broker in Thailand (table 10a).

Only 13 per cent of all migrant workers reported that they had not made any payments at all to a recruitment agency or broker. It is important to point out that none of these migrant workers reported that they had used the services of a recruitment agency. This implies that there was not a single case where employers were fully covering the costs for the services provided by recruitment agencies in the recruitment of their workers. Of those who did not pay anything, 75 per cent were those who went through family or friends; 12 per cent through their employer; 11 per cent on their own; and 1 per cent through an unlicensed broker. By country of origin, 22 per cent of all workers from Myanmar, 7 per cent of the Lao workers, and 6 per cent of the Cambodian workers reported zero payments (table 10a).

► TABLE 10a.

Where did you pay your recruitment agent or broker? - By country of origin (%)

Location of payment to agency or broker	Cambodia (n=380) (%)	Myanmar (n=518) (%)	Lao PDR (n=302) (%)	All origin countries (n=1,200) (%)
In origin country only and not in Thailand	9	52	30	33
In Thailand only and not in origin country	74	20	44	43
In both origin country and Thailand	11	6	20	11
No payment to agency or broker	6	22	7	13

It is interesting to note that there are large variations between regular and irregular migrants as to whether they made any payments to a recruitment agency or broker in Thailand or not. By country of origin and migration status, on average, irregular migrants were much more likely than regular migrants to pay a recruitment agency or broker in Thailand (table 10b).

Nearly two-thirds (64 per cent) of all irregular migrant workers reported making a payment to a recruitment agency or broker in Thailand. Roughly half (52 per cent) reported that they only paid a Thai recruitment agency or broker; while an additional 12 per cent made a payment to a recruitment agency or broker in both their home country and in Thailand. Among regular migrants, 38 per cent reported that they had made a payment to a recruitment agency or broker in Thailand, which includes 28 per cent who only paid a Thai recruitment agency or broker, and an additional 10 per cent who made a payment to a recruitment agency or broker in both their home country and in Thailand. Nearly one out five (18 per cent) regular workers reported that they had not made any payments at all to a recruitment agency or broker, compared to 10 per cent of irregular migrant workers (table 10b).

There are large variations among the countries of origin regarding payments made by regular workers: 85 per cent and 53 per cent of all regular workers from Cambodia and the Lao People's Democratic Republic, respectively, reported having made a payment to a recruitment agency or broker in Thailand; while only 14 per cent of workers from Myanmar made a payment to a recruitment agency or broker in Thailand (table 10b).

▶ TABLE 10b.

Where did you pay your recruitment agent or broker? – By country of origin and migration status (%)

Migration status/Location of payment to agent or broker	Cambodia (n=380) (%)	Myanmar (n=518) (%)	Lao PDR (n=302) (%)	All origin countries (n=1,200) (%)
▶ Regular (MOU and border pass workers; n=432)				
In origin country only and not in Thailand	6	55	43	45
In Thailand only and not in origin country	77	12	33	28
In both origin country and Thailand	8	2	20	10
No payment to agency or broker	8	30	4	18
▶ Irregular (non-MOU workers; n=768)				
In origin country only and not in Thailand	10	49	15	26
In Thailand only and not in origin country	73	26	56	52
In both origin country and Thailand	11	9	19	12
No payment to agency or broker	5	16	10	10

By sex, male workers were, on average, more likely than females to have paid a recruitment agency or broker in Thailand, at 59 per cent for males and 50 per cent for females (table 10c).

▶ TABLE 10c.

Where did you pay your recruitment agent or broker? – By sex and migration status (%)

Sex/ Location of payment to agent or broker	Level 1: Regular (n=432) (%)	Level 2: Irregular, NV completed (n=197) (%)	Level 3: Irregular, NV ongoing (n=163) (%)	Level 4: Fully irregular (n=408) (%)	Across all statuses (n=1,200) (%)
▶ Male (n=549)					
In origin country only and not in Thailand	31	58	13	13	26
In Thailand only and not in origin country	38	7	60	75	50
In both origin country and Thailand	6	5	19	11	9
No payment to agency or broker	24	31	8	1	15
Female (n=651)					
In origin country only and not in Thailand	57	70	14	12	39
In Thailand only and not in origin country	19	9	52	68	37
In both origin country and Thailand	13	4	23	13	13
No payment to agency or broker	12	18	11	7	11

Where migrant workers paid a recruitment agency or broker is also related to the sector of employment, with a larger share of workers in agriculture (70 per cent) having reported that they made a payment to a recruitment agency or broker in Thailand, compared to 37 per cent of domestic workers and 54 per cent of construction workers (table 10d).

► **TABLE 10d.**

**Where did you pay your recruitment agent or broker?
– By sector of employment and sex (%)**

Location of payment to agent or broker	Domestic work (n=361) (%)	Agriculture (n=404) (%)	Construction (n=435) (%)	All sectors (n=1,200) (%)
► All respondents (n=1,200)				
In origin country only and not in Thailand	44	22	34	33
In Thailand only and not in origin country	24	52	51	43
In both origin country and Thailand	13	18	3	11
No payment to agency or broker	19	7	13	13
► Male (n=549)				
In origin country only and not in Thailand	11	25	31	26
In Thailand only and not in origin country	48	51	49	50
In both origin country and Thailand	11	17	3	9
No payment to agency or broker	30	8	16	15
► Female (n=651)				
In origin country only and not in Thailand	51	20	39	39
In Thailand only and not in origin country	18	54	53	37
In both origin country and Thailand	14	19	3	13
No payment to agency or broker	17	7	6	11

Table 11a shows the average payment made to agencies or brokers by country of origin and province of employment. On average, migrant workers, including the 13 per cent who reported no payments, paid \$393 to a recruitment agency or broker. As such, this represents a sizeable majority of the average total cost incurred by the sample group to migrate to Thailand for work, which stands at \$461 (see section 4.1 above).

Even so, there are large differences among the countries of origin. Workers from Myanmar paid the least to agencies and brokers, on average, at \$284; while workers from the Lao People's Democratic Republic paid an average of \$470, closely followed by workers from Cambodia, who paid the most, on average at \$482 (table 11a). This is due in part – but not entirely – to the relatively larger share of workers from Myanmar who made no payment to agencies and brokers. Among all three countries of origin, regular workers paid the highest fees to recruitment agencies or brokers, on average, compared to the different types of irregular workers (table 11b). In the case of Cambodia and the Lao People's Democratic Republic, this is also true when looking separately at males and females, although in Myanmar this is only true for females because for males the fee paid to recruitment agencies or brokers is highest for irregular workers NV ongoing.

By migration status and where they paid an agent or broker, the fee paid to recruitment agencies or brokers was highest for regular workers who paid both in their country of origin and in Thailand, and was lowest among those irregular migrant workers who paid a recruitment agency or broker in only one country (table 11c). This was true for both male and female respondents. By sector of employment and where the agent or broker was paid, migrant domestic workers who had to pay in both their origin country and Thailand paid the highest fees to recruitment agencies or brokers, and this is true for both males and females (table 11d)

► TABLE 11a.

Average amount paid by respondents who paid a recruitment agency or broker, by country of origin and sex (US\$)

Location of payment to agent or broker/Sex	Cambodia (US\$)	Myanmar (US\$)	Lao PDR (US\$)	All origin countries (US\$)
► Male and female respondents				
In origin country only and not in Thailand	465	375	434	396
In Thailand only and not in origin country	521	310	507	475
In both origin country and Thailand	489	439	602	527
All respondents (exc. those with zero payments)	512	363	503	452
All respondents (inc. those with zero payments)	482	284	470	393
► Male				
In origin country only and not in Thailand	473	398	398	408
In Thailand only and not in origin country	528	351	523	491
In both origin country and Thailand	478	449	619	505
All male respondents (exc. those with zero payments)	517	389	536	467
All male respondents (inc. those with zero payments)	490	284	536	397
► Female				
In origin country only and not in Thailand	454	356	434	389
In Thailand only and not in origin country	512	264	494	457
In both origin country and Thailand	500	429	597	540
All female respondents (exc. those with zero payments)	505	340	491	440
All female respondents (inc. those with zero payments)	472	284	448	390

▶ TABLE 11b.

Average amount paid by respondents who paid a recruitment agency or broker, by migration status, country of origin, and sex (US\$)

Migration status/Sex	Cambodia (US\$)	Myanmar (US\$)	Lao PDR (US\$)	All origin countries (US\$)
▶ Male and female respondents				
Regular	593	432	542	501
Irregular, NV completed	395	331	442	337
Irregular, NV ongoing	446	376	465	445
Fully irregular	505	284	343	454
All respondents (exc. those with zero payments)	512	363	503	452
All respondents (inc. those with zero payments)	482	284	470	393
▶ Male				
Regular	605	454	631	525
Irregular, NV completed	436	343	0	351
Irregular, NV ongoing	460	411	453	444
Fully irregular	506	310		465
All male respondents (exc. those with zero payments)	517	389	536	467
All male respondents (inc. those with zero payments)	490	284	536	397
▶ Female				
Regular	569	406	518	484
Irregular, NV completed	343	324	442	328
Irregular, NV ongoing	422	350	472	446
Fully irregular	504	257	343	442
All female respondents (exc. those with zero payments)	505	340	491	440
All female respondents (inc. those with zero payments)	472	284	448	390

▶ TABLE 11c.

Average amount paid by respondents who paid a recruitment agency or broker, by migration status, location where payment was made, and sex (US\$)

Location of payment to agent or broker/Sex	Level 1: Regular (US\$)	Level 2: Irregular, NV completed (US\$)	Level 3: Irregular, NV ongoing (US\$)	Level 4: Fully irregular (US\$)	Across all statuses (US\$)
▶ Male					
In origin country only and not in Thailand	464	341	403	409	408
In Thailand only and not in origin country	566	398	434	473	491
In both origin country and Thailand	587	409	507	478	505
All male respondents (exc. those with zero payments)	525	351	444	465	467
All male respondents (inc. those with zero payments)	397	244	409	458	397
▶ Female					
In origin country only and not in Thailand	428	331	384	371	389
In Thailand only and not in origin country	560	293	422	449	457
In both origin country and Thailand	626	365	538	471	540
All female respondents (exc. those with zero payments)	484	328	446	442	440
All female respondents (inc. those with zero payments)	427	270	397	411	390

▶ TABLE 11d.

Average amount paid by respondents who paid a recruitment agency or broker, by sector of employment, location where payment was made, and sex (US\$)

Location of payment to agent or broker/Sex	Domestic work (US\$)	Agriculture (US\$)	Construction (US\$)	All sectors (US\$)
▶ Male and female respondents				
In origin country only and not in Thailand	403	393	392	396
In Thailand only and not in origin country	474	401	546	475
In both origin country and Thailand	562	510	499	527
All respondents (exc. those with zero payments)	449	420	485	452
All respondents (inc. those with zero payments)	362	389	424	393
▶ Male				
In origin country only and not in Thailand	357	404	415	408
In Thailand only and not in origin country	530	412	541	491
In both origin country and Thailand	544	504	481	505
All male respondents (exc. those with zero payments)	506	427	492	467
All male respondents (inc. those with zero payments)	353	393	411	397
▶ Female				
In origin country only and not in Thailand	405	379	358	389
In Thailand only and not in origin country	440	390	556	457
In both origin country and Thailand	565	516	538	540
All female respondents exc. those with zero payments)	439	414	474	440
All female respondents (inc. those with zero payments)	364	385	447	390

4.3 Contribution of cost items to total cost and to total variation in cost

The survey data do not allow for a breakdown of total costs into the different cost items for all the respondents, because most respondents paid a lump sum amount to an agency or broker that covered most, if not all, of their recruitment costs. As such, migrant workers would, in most cases, not know how much went into each cost item. It is, however, possible to have a breakdown of total costs for a subset of the respondents, which is the subset that did not make a payment to an agency or broker. Such migrant workers comprised 155 (13 per cent) of all respondents.¹⁹ The data derived from these respondents are analysed in this section.

It should be noted, that these data necessarily exclude what can potentially be a significant part of what is paid by migrant workers seeking to migrate to Thailand, such as service charges by agencies and brokers and possible mark-ups on other cost items. As was seen in section 4.2 above, those who did not make any payment to an agency or broker paid substantially less, on average, than those who did. As such, if service charges were to be included in the analysis, it is likely they would constitute the largest share in total recruitment costs for those who coursed their migration through an agency or broker.

Keeping in mind the caveats in the previous paragraph, table 12a below shows an analysis of the contribution of each item to the total cost of recruitment, the variability²⁰ of each cost item, and the contribution of each item to total variability.

The cost items that contribute the most to total recruitment costs are the visa, passport, and work permit, which together make up 60 per cent of the total. This is followed by travel to Thailand, which when combined with travel within Thailand, make up another 20 per cent of the total. Medical exams account for another 9 per cent of the total; the Thai registration card makes up 6 per cent; and police and security clearance another 4 per cent. The rest of the cost items combine to make up about 1 per cent of the total.

The items with the highest variability (CoV higher than 6.5) are typically the items with relatively small contributions to the total cost, such as exit clearance, payment to the employer, bribes to authorities, overseas worker card, and health insurance, and this is likely because some pay for these items (value of zero) but many others do not. The Thai registration card is the item with a relatively high contribution to total costs (6 per cent) and also a relatively high CoV (2.40).

The contribution to variability in total cost, meanwhile, is affected both by the variability of the cost item as well as its contribution to total cost. A cost item might have a high variability, but if it is a small share of total costs, its contribution to total variability could still be small. Here we implement the decomposition of total variability (as measured by the CoV) using the method developed by Shorrocks (1982), which allows total variation in a variable to be expressed as the sum of the variability contributions from its factor components. The results indicate that there is a close correlation between a cost item's contribution to total cost and its contribution to total variability in total cost, though it is worth noting that the contribution of work permits to total variability is higher than its contribution to total cost (20 per cent versus 18 per cent) and the same is true for payments to the employer (3 per cent versus 1 per cent) and travel within Thailand (8 per cent versus 6 per cent).²¹

This sort of analysis is better done at the level of origin country, however, as policies to improve the uniformity of the pricing of the cost items is better done at the country level. Tables 12b to 12d show the results for the three origin countries. The takeaways are the following:

- ▶ For workers from Cambodia, passports and visas together already comprise close to two-thirds of total costs of migration, and the only other big components are the Thai registration card (14 per cent) and – to a lesser extent – travel within Thailand (6 per cent) and travel to Thailand (6 per cent). For the same

19 Per section 4.2 above, those respondents who did not make a payment to an agent or broker can also be broken down as follows:

- by country of origin – 6 per cent of respondents from Cambodia, 22 per cent of those from Myanmar, and 7 per cent of those from the Lao People's Democratic Republic;
- by migration status – 18 per cent of regular workers and 10 per cent of irregular workers; and
- by sex – 15 per cent of male workers and 11 per cent of female workers.

20 We measure variability using the coefficient of variation (CoV), which is the ratio of the standard deviation of a variable to its mean. It is a standard measure of variation that controls for the differences in the levels of the variables when comparing their variability. The higher the coefficient of variation, the higher the variability.

21 This was implemented using the `ineqfac` command in Stata.

workers, the contribution of travel within Thailand and the visa to total variability markedly exceed their contribution to total costs.

- ▶ For workers from Myanmar, the share of medical exams is notably higher (9 per cent), as well as police or security clearance (4 per cent), compared to workers from Cambodia. For the same Myanmar workers, the contribution of payment to the employer, contract approval from the home government, and pre-departure training or briefing to total variability exceed their contribution to total costs.
- ▶ In the case of workers from the Lao People's Democratic Republic, the share of medical exams to total cost is also high (12 per cent), as is travel to Thailand (18 per cent). For these same Lao workers, the contribution of medical exams to total variability is also high relative to its share in total costs, and the same is true for the Thai registration card and work permit.

▶ TABLE 12a.

Average contribution to total recruitment costs and recruitment cost variation for survey respondents who did not make a payment to agency or broker, all countries of origin

Cost item	Mean item cost (US\$)	Per cent contribution to total cost (%)	Coefficient of variation	Contribution to variability in total cost (%)
Average total cost of coming to work in Thailand	328	100	0.45	100
1. Visa	72	22	0.58	19
2. Passport	67	20	0.68	20
3. Work permit	58	18	0.91	20
4. Travel to Thailand	45	14	0.81	6
5. Medical exam	28	9	0.73	0
6. Travel within Thailand	20	6	1.29	3
7. Thai registration card (Pink Card)	18	6	2.40	0
8. Police or security clearance	12	4	1.75	0
9. Payment to the employer	4	1	7.55	8
10. Overseas worker card	1	0	7.20	3
11. Exit clearance from the home government	1	0	7.71	0
12. Bribes to authorities	1	0	7.29	0
13. Health/life insurance	1	0	6.51	0
14. Language training	-	0	-	0
15. Skill certificate or test	-	0	-	0
16. Contract approval from the home government	-	0	-	13
17. Pre-departure training or briefing	-	0	-	8
18. Overseas migrant welfare fund	-	0	0.00	0

▶ - = nil

Note: Figures in this table only refer to respondents who did not make any payments to a recruitment agency or broker (n=155).

▶ TABLE 12b.

Average contribution to total recruitment costs and recruitment cost variation for survey respondents who did not make a payment to agency or broker, Cambodian respondents only

Cost item	Mean item cost (US\$)	Per cent contribution to total cost (%)	Coefficient of variation	Contribution to variability in total cost (%)
Avg. total cost for Cambodians coming to work in Thailand	205	100	0.87	100
1. Passport	70	34	0.93	34
2. Visa	60	29	1.07	32
3. Thai registration card (Pink Card)	29	14	1.88	7
4. Travel within Thailand	13	6	0.74	18
5. Travel to Thailand	13	6	0.95	0
6. Work permit	10	5	2.28	0
7. Medical exam	6	3	1.53	0
8. Bribes to authorities	3	1	3.24	0
9. Health / life insurance	1	0	4.69	3
10. Overseas worker card	-	0	-	0
11. Payment to the employer	-	0	-	0
12. Language training	-	0	-	0
13. Skill certificate or test	-	0	-	0
14. Police or security clearance	-	0	-	1
15. Exit clearance from the home government	-	0	-	0
16. Contract approval from the home government	-	0	-	4
17. Pre-departure training or briefing	-	0	-	2
18. Overseas migrant welfare fund	-	0	-	1

▶ - = nil.

Note: Figures in this table only refer to Cambodian respondents who did not make any payments to a recruitment agency or broker (n=155).

▶ TABLE 12c.

Average contribution to total recruitment costs and recruitment cost variation for survey respondents who did not make a payment to agency or broker, Lao respondents only

Cost item	Mean item cost (US\$)	Per cent contribution to total cost (%)	Coefficient of variation	Contribution to variability in total cost (%)
Avg. total cost for Lao coming to work in Thailand	235	100	0.49	100
1. Passport	48	20	0.75	14
2. Travel to Thailand	41	18	0.67	8
3. Visa	39	17	0.80	13
4. Medical exam	29	12	1.29	17
5. Thai registration card (Pink Card)	29	12	2.04	24
6. Travel within Thailand	21	9	0.76	8
7. Work permit	12	5	1.87	8
8. Overseas worker card	6	3	3.08	1
9. Payment to the employer	6	3	4.47	6
10. Exit clearance from the home government	2	1	4.47	1
11. Health / life insurance	1	1	4.47	1
12. Language training	-	0	-	0
13. Skill certificate or test	-	0	-	0
14. Police or security clearance	-	0	-	0
15. Contract approval from the home government	-	0	-	0
16. Pre-departure training or briefing	-	0	-	0
17. Overseas migrant welfare fund	-	0	-	0
18. Bribes to authorities	-	0	-	0

▶ - = nil.

Note: Figures in this table only refer to Cambodian respondents who did not make any payments to a recruitment agency or broker (n=155).

▶ TABLE 12d.

Average contribution to total recruitment costs and recruitment cost variation for survey respondents who did not make a payment to agency or broker, Myanmar respondents only

Cost item	Mean item cost (US\$)	Per cent contribution to total cost (%)	Coefficient of variation	Contribution to variability in total cost (%)
Avg. total cost for Myanmar people coming to work in Thailand	368	100	0.33	100
1. Visa	81	22	0.42	18
2. Work permit	76	21	0.66	17
3. Passport	70	19	0.60	19
4. Travel to Thailand	51	14	0.73	16
5. Medical exam	32	9	0.45	8
6. Travel within Thailand	21	6	1.37	11
7. Police or security clearance	16	4	1.40	2
8. Thai registration card (Pink Card)	14	4	2.65	4
9. Payment to the employer	5	1	7.53	5
10. Exit clearance from the home government	1	0	8.38	0
11. Overseas worker card	0.4	0	10.63	0
12. Health / life insurance	0.4	0	7.89	-1
13. Bribes to authorities	0.4	0	10.63	0
14. Language training	-	0	-	0
15. Skill certificate or test	-	0	-	0
16. Contract approval from the home government	-	0	-	0
17. Pre-departure training or briefing	-	0	-	0
18. Overseas migrant welfare fund	-	0	-	0

▶ - = nil.

Note: Figures in this table only refer to Cambodian respondents who did not make any payments to a recruitment agency or broker (n=155).

4.4 Specific cost items paid for by migrant workers

Regardless of country of origin, almost all migrant workers in the survey paid for their visa, passport, work permit, and travel to Thailand, whether as part of their payment to an agency or broker or as a separate payment made on their own (figure 5a). A clear majority of migrant workers from all the three origin countries also paid for a medical exam, a Thai registration card, and travel within Thailand. Of course, implicitly, those who coursed their migration through a recruitment agency or broker must have also paid service charges at least in their country of origin but in some cases also in Thailand (see section 4.2).

There are more noticeable differences among other items that only a minority in each origin country reported paying. For instance, workers from Myanmar were more likely to pay for health or life insurance and police or security clearance, and to a lesser extent for an overseas worker card. Workers from the Lao People's Democratic Republic were more likely to make payments to the employer and to pay for pre-departure

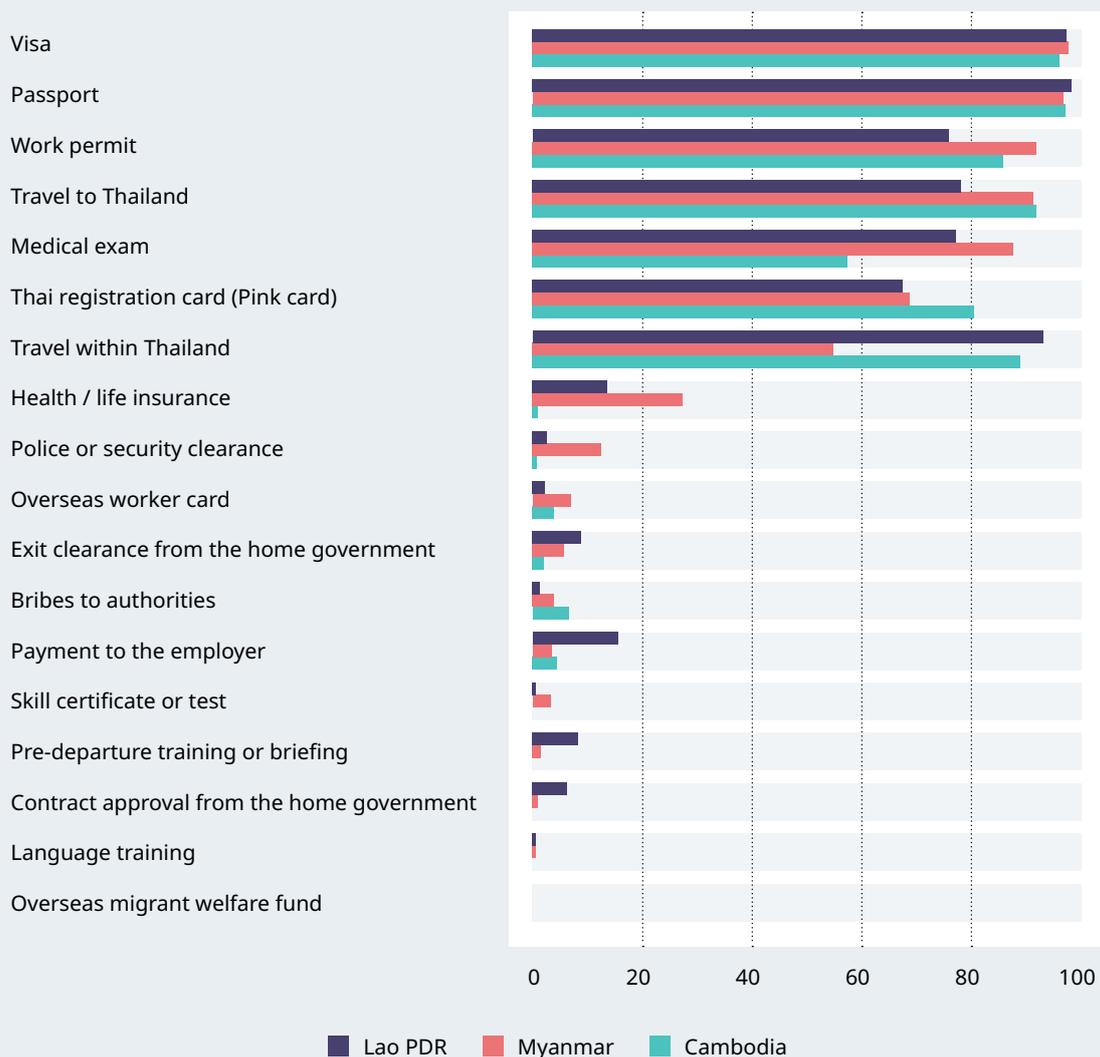
training and contract approval from the home government. Workers from Cambodia were more likely to pay bribes to authorities.

Figures 5b to 5d each focus on one of the countries of origin, and extend the analysis further by making a distinction between cost items that are already covered by migrant workers' payments to recruitment agencies or brokers and cost items respondents paid for separately on their own. The salient patterns appear to be the following:

- ▶ In the case of Cambodian workers, and to a lesser extent Lao workers, almost all recruitment costs are paid for via agencies and brokers, except for travel to and within Thailand, where many Cambodian and Lao migrant workers still pay for these separately.
- ▶ In the case of Myanmar workers, a substantial share of the workers (at least 20 per cent) still pay on their own for their passport, visa, medical exam, and work permit, apart from travel to and within Thailand.
- ▶ In the case of Cambodia, which has the highest share of workers paying bribes to authorities (7 per cent), about half of the bribes are paid through the agencies or brokers and the other half directly by the migrant workers.

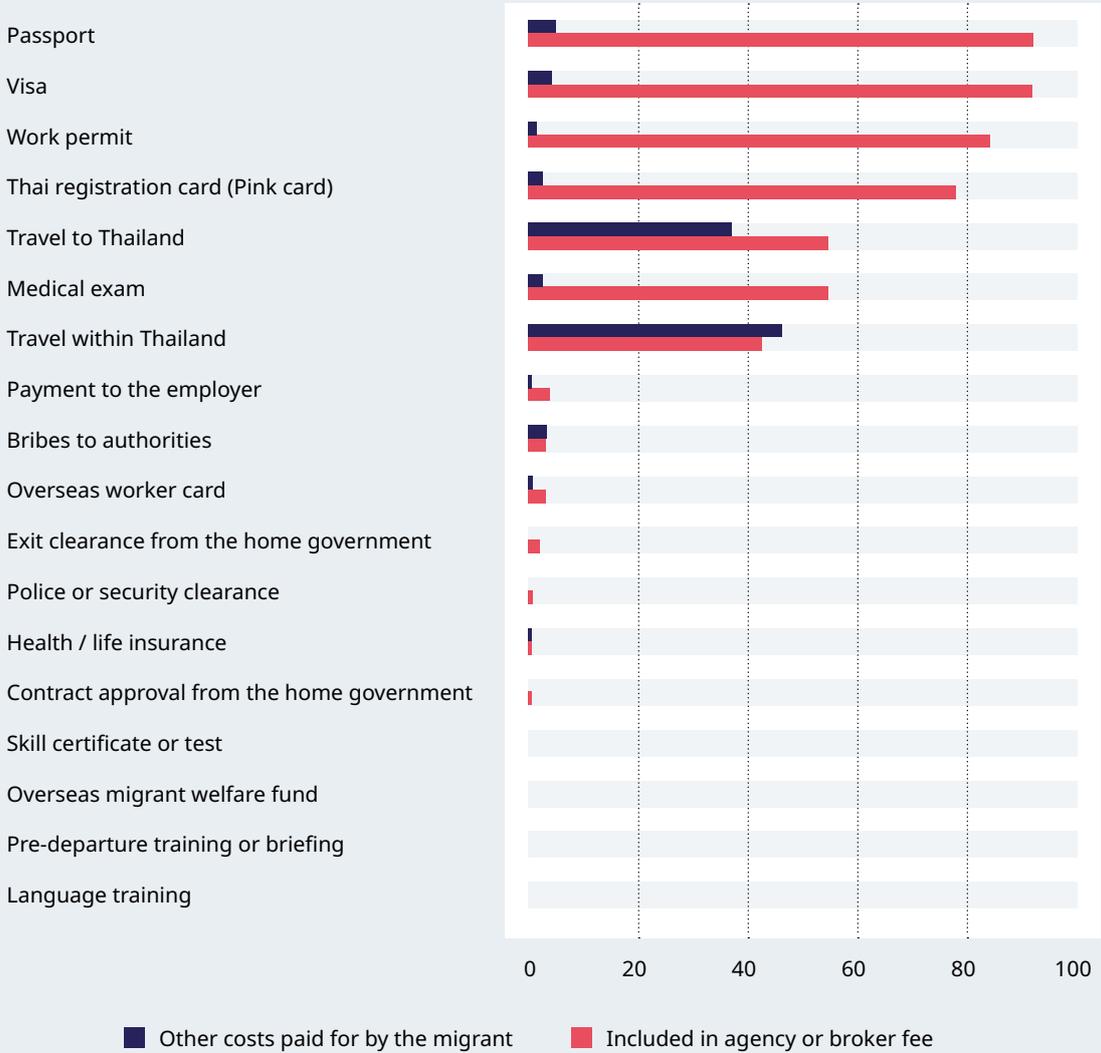
▶ FIGURE 5a.

Percentage of migrant worker respondents who paid for selected recruitment cost items, by country of origin



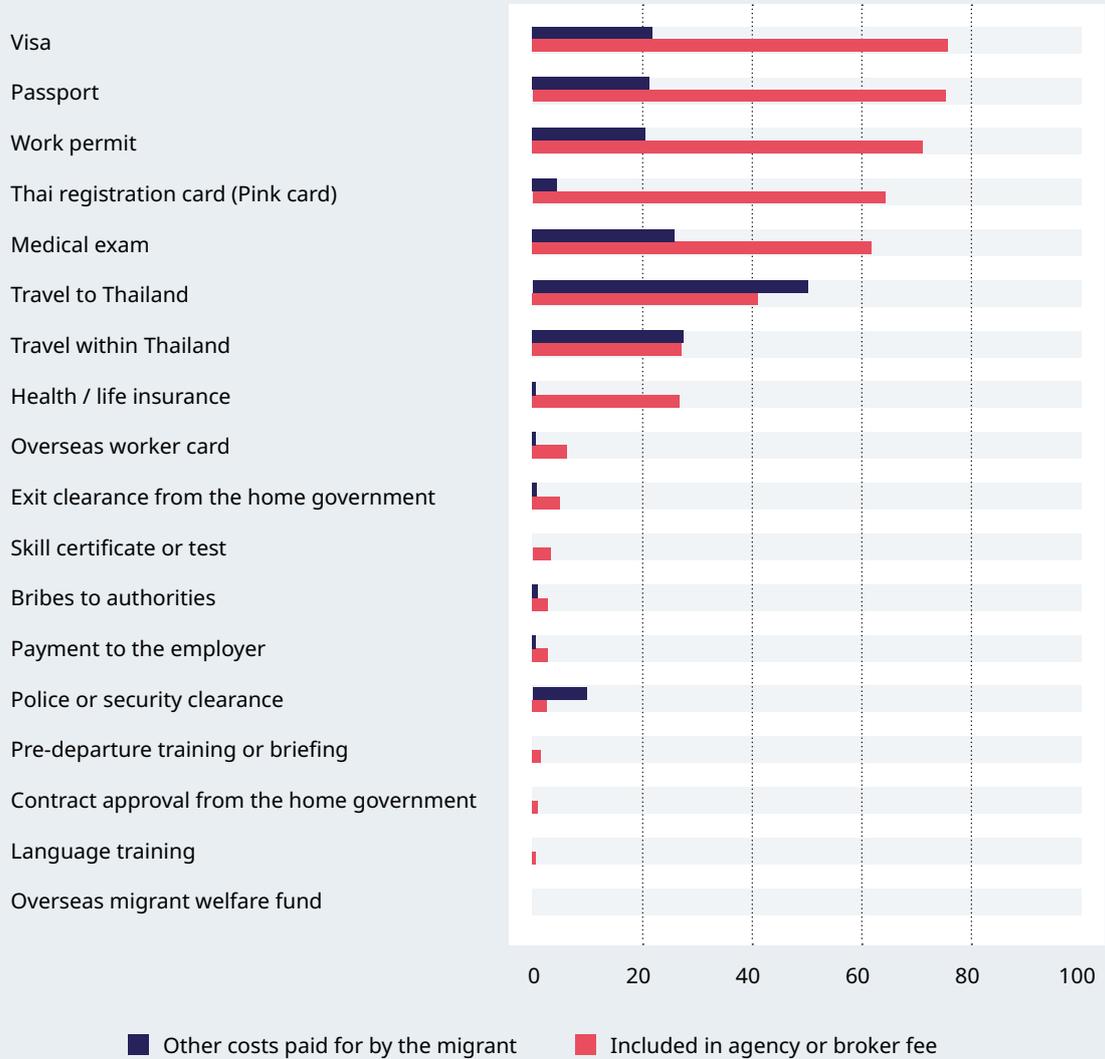
► FIGURE 5b.

Percentage of Cambodian respondents who paid for selected recruitment cost items



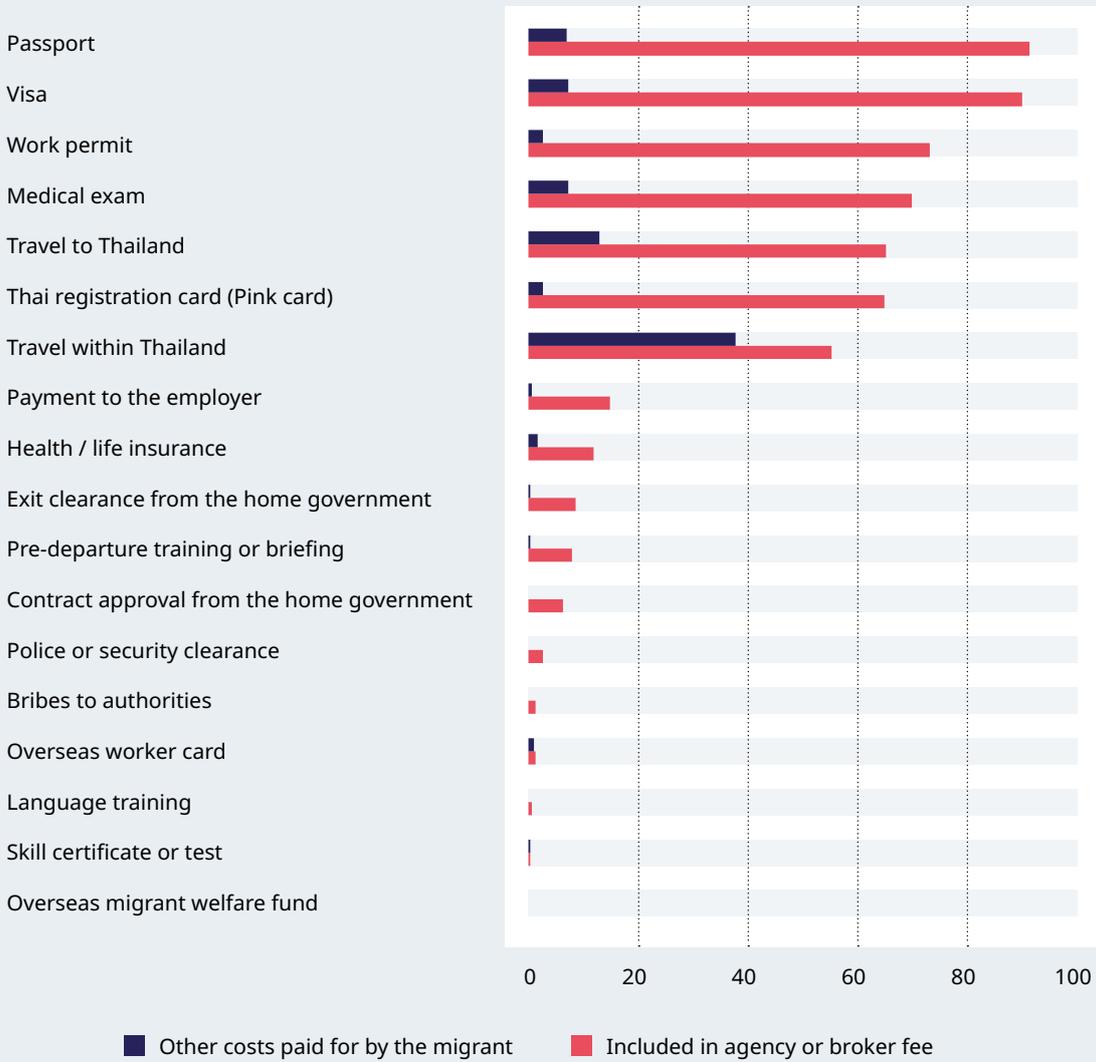
► FIGURE 5c.

Percentage of Myanmar respondents who paid for selected recruitment cost items



► FIGURE 5d.

Percentage of Lao respondents who paid for selected recruitment cost items



4.5 The correlates of total recruitment cost

This section attempts to answer the question: Which characteristics of the migrant worker, their recruitment, and their employment are most highly correlated with recruitment costs? This is useful information for purposes of targeting interventions aimed at reducing the costs of migration. We examine here the effect of the same factors that will also be used in later chapters to analyse earnings, employment conditions, and labour rights: namely, individual characteristics, employment characteristics, migration status, and method of migration. In addition, we also look at whether the wage-wedge²² between the origin country and Thailand is a factor affecting costs; in which case, workers may just be paying more in recruitment costs in exchange for higher future earnings. We also examine whether repeat migrants acquire an advantage in terms of lower recruitment costs.

To the end the study team applied different models:

1. a base model where total recruitment costs (in \$) are regressed against exactly the explanatory variables listed above – individual characteristics, employment characteristics, migration status, and method of migration;
2. a model where we add the wage-wedge variable among the explanatory variables;
3. a model where we add to the base model an indicator for whether the migrant worker was a repeat migrant; and
4. a model where we take out the explanatory variables pertaining to province of employment in Thailand, which is done to illustrate how province of employment impacts the significance of the other explanatory variables.

The reason for estimating a separate model that includes the wage-wedge variable is that information on earnings in the home country is not available for all the migrant workers, but rather for only 43 per cent of the total sample (520 out of 1,200). Its inclusion in the regression thus cuts the number of observations severely. The Model 4 was estimated separately because, as was shown earlier, the province of employment in Thailand is highly correlated with the worker's origin country and sector of employment. This means that the inclusion or exclusion of any of these three variables in the analysis can have a big impact on the estimated effect of the others. This is potentially important when there is a need to understand how to target an intervention, whether by country of origin, by province of employment in Thailand, or by sector of employment.

The results of the analyses are in appendix table 13. There is a lot of consistency when looking at Models 1, 2 and 3. In terms of the magnitude of impact, the most important explanatory variables appear to be province of employment in Thailand, migration status, and method of migration (Models 1 and 3). Sex is also a significant factor across all models. In Model 2, the wage wedge variable comes out as a significant predictor of recruitment costs. But Model 3 indicates that there is no evidence of any cost advantage for repeat migrants. What follows is a more detailed interpretation of the regression results:

- ▶ The base model regression is highly significant and the included variables explain 35 per cent of the variation in total recruitment costs. This is also roughly the amount of variation in total costs explained by Models 2 and 3. Model 4, which takes away province of employment in Thailand, explains a lower 25 per cent of the variation in total costs, which gives an indication of how much additional variation in total costs can be explained by province of employment.
- ▶ Those who work in Chonburi paid about \$160 more (Models 1 and 3) in recruitment costs compared to those who work in Greater Bangkok, controlling for sex, age, education, sector of employment, country of origin, level of documentation, and method of migration. Those who work in Tak, Kanchanaburi, and Chiang Mai paid significantly less in recruitment costs compared to those who work in Greater Bangkok (about \$s 230, 150, and 80, respectively), controlling for the other variables in the regression.
- ▶ Irregular workers paid less in recruitment costs than regular workers, controlling for the other variables in the regression. They paid anywhere from about \$50 to \$100 less.

²² The wage wedge is measured in this instance as the ratio of the initial wage of the worker in Thailand to their home country wage prior to migration.

- ▶ Those who migrated on their own and those who migrated through friends or family paid significantly less than those who migrated through a registered recruitment agency (about \$114 and \$60 less, respectively).
- ▶ Model 2 also shows that the wage wedge variable, if included, is also a significant predictor of total recruitment costs, although the size of the effect is not big. A one-unit increase in the wage wedge variable, for example a rise in the ratio from 2 to 3, only results in about a \$4 increase, on average, in total recruitment costs, controlling for the other variables in the regression. Additionally, for Model 2, the method of migration variables turns out insignificant; although this may not be because of the inclusion of the wage wedge variable, but rather because a different, smaller set of observations (n=520) is used.
- ▶ Males also typically paid more in recruitment costs than females – about \$30 more – controlling for the other variables in the regression.
- ▶ Model 4 shows that when province of employment in Thailand is removed, the country of origin and sector of employment variables come out significant. In particular, it shows that workers from Cambodia paid significantly more in recruitment costs compared to those from Myanmar and the Lao People's Democratic Republic, controlling for the other variables in the regression. Those from Myanmar paid \$138 less and those from the Lao People's Democratic Republic \$63 less. In addition, the results show that respondents who are in domestic work paid significantly more than those in agriculture (about \$49 more), but no different from those in construction.

4.6 Recruitment costs in terms of the number of months of earnings to recover them

The mean monthly earnings of the entire sample group in their first job in Thailand was \$240 (table 13a). This means that, on average, the total cost of recruitment is the equivalent to about 1.9 months of earnings for a migrant worker. This varies by country of origin, however, and is lowest for the workers from Myanmar (1.4 cost-to-earnings ratio), followed by the Lao People's Democratic Republic (2.3 ratio), then Cambodia (2.5 ratio). Additionally, it appears that how a respondent migrated – specifically, whether they made a payment to a broker or an agency – mattered a lot as well. It was already noted in section 4.1 that, on average, those who did not pay a broker or an agency paid significantly less in recruitment costs than those who did. Respondents who did not pay a broker or agent also got better paying first jobs, on average. Overall and for each of the three origin countries the ratio of cost-to-earnings for these workers was only around 1, which means that for this subset of migrant workers the total cost of recruitment was the equivalent of only one month of earnings. In contrast, the cost-to-earnings ratio reached as high as 3.2 for Lao workers who had to pay an agency or broker both in the Lao People's Democratic Republic and in Thailand.

By migration status, regular workers had the highest mean monthly earnings at \$281; followed next by irregular NV completed workers at \$243; and irregular NV ongoing and fully irregular workers earning roughly the same at \$208 (table 13b). For regular workers, the total cost of recruitment is the equivalent of 1.8 months of earnings, which is lower than for fully irregular and irregular NV ongoing workers (about 2.2 months), but higher than it is for irregular NV completed workers (1.5 months). The cost-earnings ratios by migration status differ, however, depending on the country of origin. Among Cambodian respondents, regular workers incurred the highest costs in terms of months of earnings; whereas among Myanmar respondents, regular workers were among those who incurred the lowest costs in terms of months of earnings. Male and female migrant workers paid roughly the same recruitment costs in terms of months of earnings (table 13c). And similar to the pattern overall, for both males and females, recruitment costs in terms of months of earnings is lowest for irregular NV completed workers, followed by regular workers, with the other types of irregular workers having the highest costs in terms of months of earnings.

▶ TABLE 13a.

Ratio of recruitment cost to monthly earnings, by country of origin and location of payment to recruitment agent/broker

Country of origin/ Location of recruitment payment	Mean total cost of recruitment (US\$)	Mean monthly earnings (US\$)	Ratio of recruitment cost to monthly earnings
	(a)	(b)	(a)/(b)
▶ All origin countries			
Type 1: paid agency or broker in origin country only and not in Thailand	422	261	1.6
Type 2: paid agency or broker in Thailand only and not in origin country	508	206	2.5
Type 3: paid agency or broker in both origin country and Thailand	546	216	2.5
Type 4: did not make payment to recruitment agency or broker	328	324	1.0
Total	461	240	1.9
▶ Cambodia			
Type 1: paid agency or broker in origin country only and not in Thailand	476	221	2.1
Type 2: paid agency or broker in Thailand only and not in origin country	548	206	2.7
Type 3: paid agency or broker in both origin country and Thailand	515	202	2.6
Type 4: did not make payment to recruitment agency or broker	205	221	0.9
Total	517	208	2.5
▶ Myanmar			
Type 1: paid agency or broker in origin country only and not in Thailand	404	258	1.6
Type 2: paid agency or broker in Thailand only and not in origin country	377	233	1.6
Type 3: paid agency or broker in both origin country and Thailand	463	273	1.7
Type 4: did not make payment to recruitment agency or broker	368	353	1.0
Total	394	275	1.4
▶ Lao PDR			
Type 1: paid agency or broker in origin country only and not in Thailand	454	286	1.6
Type 2: paid agency or broker in Thailand only and not in origin country	528	184	2.9
Type 3: paid agency or broker in both origin country and Thailand	613	194	3.2
Type 4: did not make payment to recruitment agency or broker	235	274	0.9
Total	503	223	2.3

▶ TABLE 13b.

Ratio of recruitment cost to monthly earnings, by migration status and country of origin

Country of origin/ Migration status	Mean total cost of recruitment (US\$)	Mean monthly earnings (US\$)	Ratio of recruitment cost to monthly earnings
	(a)	(b)	(a)/(b)
▶ All migrant workers			
Regular	497	281	1.8
Irregular, NV completed	364	243	1.5
Irregular, NV ongoing	449	208	2.2
Fully irregular	474	209	2.3
All respondents	461	240	1.9
▶ Cambodia			
Regular	592	220	2.7
Irregular, NV completed	281	242	1.2
Irregular, NV ongoing	420	205	2.0
Fully irregular	522	204	2.6
All respondents	517	208	2.5
▶ Myanmar			
Regular	441	322	1.4
Irregular, NV completed	374	243	1.5
Irregular, NV ongoing	394	284	1.4
Fully irregular	317	214	1.5
All respondents	394	275	1.4
▶ Lao People's Democratic Republic			
Regular	543	244	2.2
Irregular, NV completed	304	246	1.2
Irregular, NV ongoing	470	182	2.6
Fully irregular	401	280	1.4
All respondents	503	223	2.3

▶ TABLE 13c.

Ratio of recruitment cost to monthly earnings, by sex and migration status

Worker sex/ Migration status	Mean total cost of recruitment (US\$)	Mean monthly earnings (US\$)	Ratio of recruitment cost to monthly earnings
	(a)	(b)	(a)/(b)
▶ Male			
Regular	510	296	1.7
Irregular, NV completed	362	271	1.3
Irregular, NV ongoing	452	213	2.1
Fully irregular	490	215	2.3
All male respondents	473	252	1.9
▶ Female			
Regular	486	269	1.8
Irregular, NV completed	366	221	1.7
Irregular, NV ongoing	447	205	2.2
Fully irregular	457	203	2.3
All female respondents	450	230	2.0



▶ 05

► Survey findings: Borrowing to finance migration

5.1 Share of migrant workers who borrowed money, and the amount they borrowed

Of the total migrant workers surveyed, 63 per cent reported borrowing money to help finance their migration, including 66 per cent of males and 60 per cent of females (table 14). The mean amount borrowed was \$762 (\$858 for females versus \$657 for males), and the median amount borrowed was \$530 (same for males and females). The large positive discrepancy between the mean and median amounts borrowed indicates that there are a few who borrowed large amounts. At the time of the survey, the mean amount still owed by the migrant workers who borrowed was \$144, which was about 19 per cent of the mean amount initially borrowed; though the median still owed was zero, which means that more than half of those who borrowed have already paid off their loans.

The share of those who borrowed money was much lower for workers from Myanmar (41 per cent), compared to workers from Cambodia (85 per cent) or from the Lao People's Democratic Republic (71 per cent). Even though Myanmar workers had the lowest share of borrowers, the mean amount of money borrowed was highest among Myanmar respondents compared to workers from the other two origin countries. However, the median amount of money borrowed was also the lowest for those from Myanmar, again indicating the presence of outliers that pull up the mean amount for Myanmar. In all three origin countries, the median amount still owed was zero, indicating that more than half of those who borrowed from each country had already paid off their loans at the time of the survey. Looking at the mean amount still owed, however, those from the Lao People's Democratic Republic still owed around 37 per cent of the original amount borrowed, which is very high compared to only 12 per cent among Cambodian respondents and 9 per cent among Myanmar respondents.

▶ TABLE 14.

Share of migrant worker respondents who borrowed money and the amount they borrowed (mean and median \$), by country of origin and sex

Country of origin	% of migrant workers who borrowed money to migrate (%)	Mean borrowed money (US\$)	Mean amount still owed at time of survey (US\$)	Median borrowed money (US\$)	Median amount still owed at time of survey (US\$)
▶ All respondents					
Cambodia	85	535	63	530	-
Myanmar	41	1 003	89	442	-
Lao PDR	71	863	320	589	-
All	63	762	144	530	-
▶ Males					
Cambodia	89	539	58	530	-
Myanmar	40	946	77	442	-
Lao PDR	95	541	17	589	-
All males	66	657	55	530	-
▶ Females					
Cambodia	81	531	70	530	-
Myanmar	43	1 059	102	354	-
Lao PDR	63	1 022	470	575	-
All females	60	858	226	530	-

▶ - = nil

5.2 Main source of loans and monthly interest on loans

This section addresses the main sources of loans for migrant worker respondents and the monthly interest on those loans. It should be noted that the figures cited in this section refer only to those respondents who borrowed money (n=752) and not the entire survey sample of 1,200 respondents.

The main source of loans for migrant workers was the employer, with 60 per cent of those who borrowed money saying they borrowed from their employer. This was followed by friends or family (31 per cent), and then money lenders (7 per cent) (table 15). By sex, there is some difference as males are more likely than females to borrow from their employer (69 per cent versus 52 per cent); whereas females are more likely to borrow from friends or family (37 per cent for females versus 24 per cent for males). There is also some variation across countries of origin. Among respondents from Myanmar, the majority of those who borrowed money borrowed from friends or family (57 per cent); whereas four out of every five of those from Cambodia and two out of every three of those from the Lao People's Democratic Republic borrowed from their employer. The share of those who borrowed from a money lender is much higher among borrowers from Myanmar (14 per cent), compared to those from the Lao People's Democratic Republic (5 per cent) and Cambodia (4 per cent).

The source of the borrowing matters a lot for various reasons. From a financial point of view, different money lending sources charge very different interest rates (table 16). Money lenders charged a mean monthly interest rate of 15.5 per cent (median of 20 per cent), compared to the 6.7 per cent monthly interest rate charged by friends or family (median of 1.5 per cent) or the essentially zero interest rate charged by employers. The mean and median monthly interest rates charged by money lenders did not differ much, if any, by country of origin, but the interest rate charged by friends or family was noticeably lower for those from Cambodia. The source of borrowing also matters from a protection point of view – if the worker borrows from their employer, they might find themselves in a situation where indebtedness makes it difficult for them to leave their employment should they wish to do so.

► TABLE 15.

Main source of loans, by country of origin and sex¹

Country of origin/ Sex	Friends or family (%)	Money lender (%)	Employer (%)	Others (%)	No. who borrowed money
► All respondents					
Cambodia	15	4	80	2	324
Myanmar	57	14	24	4	213
Lao PDR	29	5	66	0	215
All	31	7	60	2	752
► Males					
Cambodia	14	4	81	1	186
Myanmar	54	13	30	2	105
Lao PDR	6	0	93	1	71
All males	24	6	69	1	362
► Females					
Cambodia	16	4	78	2	138
Myanmar	60	15	19	6	108
Lao PDR	40	8	52	0	144
All females	37	8	52	3	390

► ¹ The numbers in this table only refer to those respondents who secured a loan in order to migrate.

▶ TABLE 16.

Monthly interest on loans, by country of origin, source of loan, and sex (%)¹

Country of origin? Sex		Friends or family (%)	Money lender (%)	Employer (%)	Others (%)	All (%)
▶ All respondents						
Cambodia	Mean	3.5	14.2	0.2	9.5	1.2
	Median	0.0	20.0	0.0	5.0	0.0
Myanmar	Mean	8.1	16.0	0.1	5.8	7.2
	Median	5.0	20.0	0.0	5.0	1.5
Lao PDR	Mean	7.6	15.5	0.2	0.0	4.8
	Median	1.5	20.0	0.0	0.0	0.0
All countries of origin	Mean	6.7	15.5	0.2	7.0	3.5
	Median	1.5	20.0	0.0	5.0	0.0
▶ Males						
Cambodia	Mean	2.0	16.7	0.1	5.0	1.0
	Median	0.0	20.0	0.0	5.0	0.0
Myanmar	Mean	7.7	14.8	0.0	4.3	6.3
	Median	5.0	15.0	0.0	4.3	1.5
Lao PDR	Mean	2.5	0.0	0.0	0.0	0.3
	Median	2.5	0.0	0.0	0.0	0.0
All males	Mean	5.5	15.4	0.1	4.5	2.4
	Median	1.5	20.0	0.0	5.0	0.0
▶ Females						
Cambodia	Mean	5.0	11.2	0.3	11.0	1.6
	Median	0.0	5.0	0.0	5.0	0.0
Myanmar	Mean	8.4	17.3	0.2	6.3	8.3
	Median	5.0	22.5	0.0	5.0	5.0
Lao PDR	Mean	7.9	15.5	0.3	0.0	6.2
	Median	1.5	20.0	0.0	0.0	0.0
All females	Mean	7.5	15.6	0.3	7.9	4.5
	Median	1.5	20.0	0.0	5.0	0.0

▶ 1 The numbers in this table only refer to those respondents who secured a loan in order to migrate.

5.3 Assets used as collateral for loans

Among those who borrowed money (n=752), only 13 per cent (n=98) used an asset as collateral (table 17). The share of those who used an asset as collateral is highest among respondents from Myanmar (17 per cent), followed by those from Cambodia (13 per cent), and then by those from the Lao People's Democratic Republic (8 per cent). The most commonly used collateral was land (42 per cent all respondents who used an asset as collateral), followed by gold or jewelry (22 per cent), farm equipment (21 per cent), motor vehicle (15 per cent), and house (5 per cent).²³ Although land is the most commonly used collateral (or is tied as the most commonly used collateral) in each of the three origin countries, there is still some difference, as farm equipment is just as commonly used as collateral in Cambodia as land, but it is not as commonly used in Myanmar and the Lao People's Democratic Republic where gold or jewelry is the next or is tied for the most commonly used collateral after land.

23 A respondent can cite more than one asset so totals may exceed 100 per cent.

▶ TABLE 17.

Assets used as collateral for loans (% of those who borrow), by country of origin¹

Asset	Cambodia	Myanmar	Lao PDR	All origin countries
No. with assets used as collateral for loans	43	37	18	98
% with assets used as collateral for loans (%)	13	17	8	13
▶ Of those with assets used as collateral for loans (n=98)				
% used land (%)	42	38	50	42
% used house (%)	12	0	0	5
% used farm equipment (%)	42	5	6	21
% used motor vehicle (%)	12	19	17	15
% used gold or jewelry (%)	7	38	28	22
% used other (%)	0	5	0	2

▶ 1 Respondents are able to select more than one answer, so totals can exceed 100 per cent.

5.4 Experienced financial difficulties as a result of loans

About four-out-of-every five of those who borrowed money reported experiencing some financial difficulties as a result of the loan (table 18). Practically every borrower from the Lao People's Democratic Republic reported experiencing some financial difficulty, as did 79 per cent of those from Myanmar and 70 per cent of those from Cambodia.

The most commonly experience difficulty reported was the inability to buy the things they need (77 per cent), followed by the closely related need to cut back on necessities like food (67 per cent), and the need to borrow again to pay existing debt (48 per cent). One out of every ten who borrowed also reported losing ownership of the assets they used as collateral, although it was noticeably higher in Cambodia at 15 per cent, compared to Myanmar (7 per cent) and the Lao People's Democratic Republic (8 per cent).

▶ TABLE 18.

Experienced financial difficulties as a result of loans

Experience	Cambodia	Myanmar	Lao PDR	All origin countries
# experienced financial difficulties ¹	227	168	210	605
% experienced financial difficulties ¹ (%)	70	79	98	80
▶ Of those who experienced financial difficulties				
% who had to cut back on necessities like food (%)	54	90	61	67
% who had to borrow again to pay existing debt (%)	57	38	46	48
% who lost ownership of assets used as security for the loan (%)	15	7	8	10
% who unable to buy things they need (%)	80	60	87	77
% who had to postpone social commitments (wedding celebration, etc.) (%)	11	5	4	7
% other (%)	0	0	0	0

▶ 1 The figures in this row only apply to those respondents who secured a loan or loans in order to migrate (n=752).



▶ 06

► Survey findings: Earnings data and employment conditions

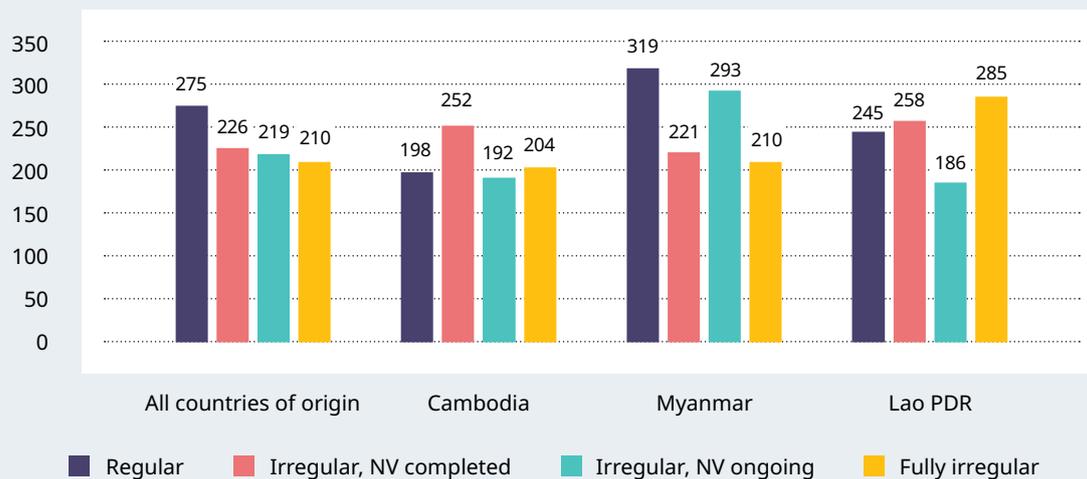
6.1 Earnings by migration status

Overall, regular migrant workers earn more, on average, than irregular migrant workers, with regular workers from Myanmar earning most (\$319 per month), as can be seen in figure 6a. But this is not necessarily true for each country of origin. In the case of workers from Cambodia, irregular NV completed workers earned the most, and regular workers earned even less, on average, than fully irregular workers. In the case of workers from Myanmar, regular workers earned the most, followed by irregular NV ongoing workers. It is still a different case for workers from the Lao People's Democratic Republic, among whom fully irregular workers earned the most, followed by irregular NV completed workers, and then regular workers.

These patterns of earnings overall are mirrored among males (figure 6b), but for females there are some notable differences (figure 6c). For instance, for the three origin countries combined, irregular NV ongoing workers have the second highest monthly earnings, on average, next only to regular workers. In addition, among Lao female workers regular workers earn about as much as fully irregular workers, and both earn significantly higher than irregular workers who are either undergoing or have completed the NV process.

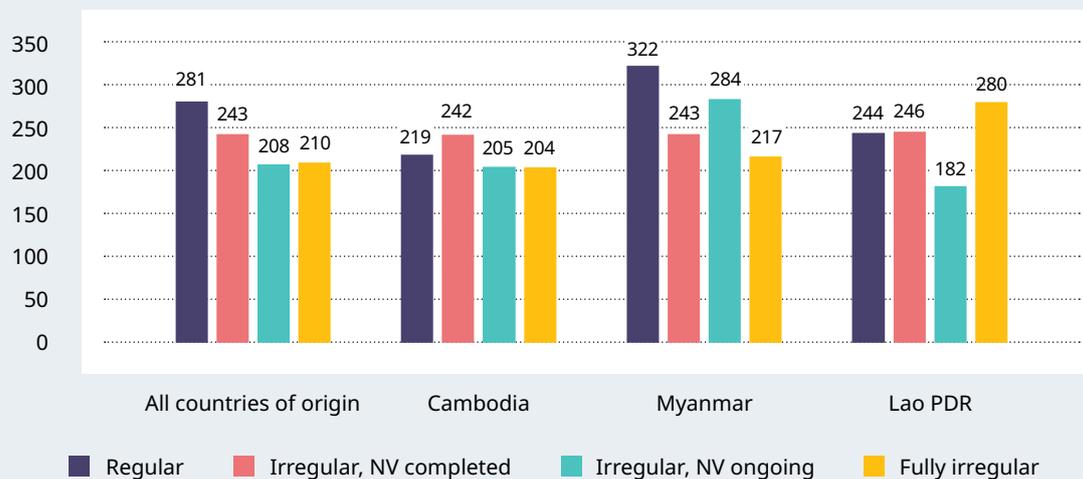
► FIGURE 6a.

Monthly earnings in Thailand by migration status and country of origin, all respondents (US\$)



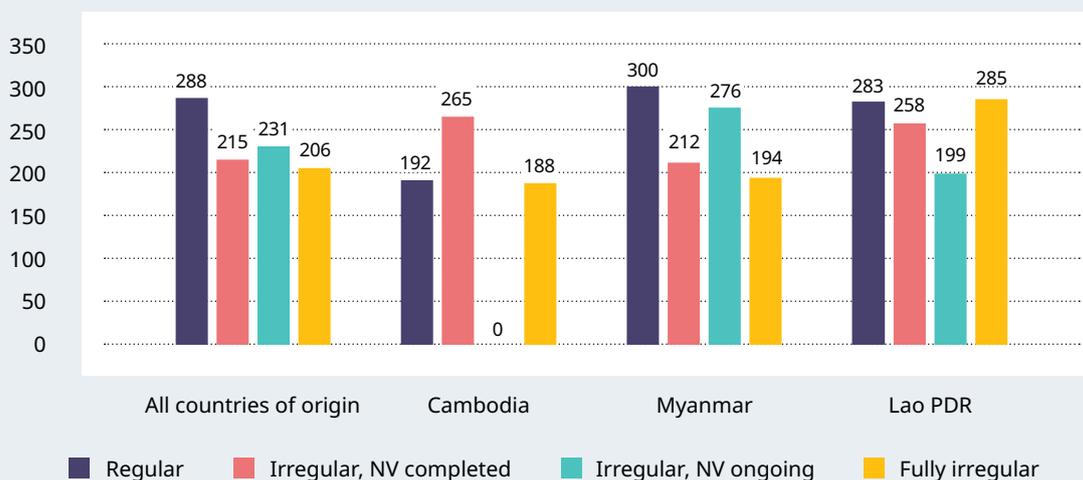
► FIGURE 6b.

Monthly earnings in Thailand by migration status and country of origin, male respondents (US\$)



► FIGURE 6c.

Monthly earnings in Thailand by migration status and country of origin, female respondents (US\$)



On average, migrant worker respondents' monthly earnings in their first job in Thailand were roughly double (2.1) the average earnings prior to migration – \$240 versus \$117 (table 19). The ratio of monthly earnings in Thailand to monthly earnings before migration differs somewhat by country of origin. It was highest among Lao respondents at 2.2, followed by Myanmar at 2.1, with Cambodia at 1.9. The ratio is lowest, overall, for workers with the least documentation, but there is no clear pattern otherwise – especially when looking at individual countries. Note that the mean monthly earning of \$240 is approximately equal to Thailand's monthly minimum wage of about \$220 to \$260, depending on the number of working days, at a daily minimum wage of \$10 per day.²⁴

²⁴ In April 2018, the minimum wage in Thailand ranged from THB308 to THB330 per day depending on the province, and was at THB325 in Bangkok and surrounding areas.

The ratio of mean monthly earnings in Thailand to mean monthly earnings in the home country was the same for both males and females at 2.1 (appendix tables 7a and 7b). Female workers from Cambodia appear to have done relatively better than their male counterparts in terms of this metric, with a ratio of 2.2 compared to 1.9 for males. For the other two countries the ratios are roughly the same for both males and females.

► **TABLE 19.**

Comparison of monthly earnings in Thailand versus monthly earnings in country of destination prior to migration, by migration status

Migration status	Cambodia	Myanmar	Lao PDR	All origin countries
► Monthly earnings in Thailand (US\$)				
Regular	198	319	245	275
Irregular, NV completed	252	221	258	226
Irregular, NV ongoing	192	293	186	219
Fully irregular	204	210	285	210
All migrant workers	207	260	224	235
► Monthly earnings before coming to Thailand (US\$)				
Regular	116	159	118	137
Irregular, NV completed	136	121	184	124
Irregular, NV ongoing	56	122	78	91
Fully irregular	109	104	124	108
All migrant workers	110	130	103	117
► Ratio of mean monthly earnings in Thailand to mean monthly earnings in home country				
Regular	1.7	2.0	2.1	2.0
Irregular, NV completed	1.9	1.8	1.4	1.8
Irregular, NV ongoing	3.4	2.4	2.4	2.4
Fully irregular	1.9	2.0	2.3	1.9
All migrant workers	1.9	2.0	2.2	2.0

6.2 Robust correlates of earnings

Here we extend the analysis of earnings by running a regression of earnings against individual characteristics, employment characteristics, migration status, and method of migration to examine which characteristics are robustly correlated with earnings. The results are shown in table 20 below. Table is a standard regression results table, showing the column of coefficients and additional columns on the probability value and statistical significance. The coefficient column shows by how much the dependent variable (earnings) changes relative to the base category when the migrant takes on a specific characteristic. The column p-value is a measure of the statistical significance of the coefficient, with lower values (close to zero) interpreted as being more statistically significant.

First the regression is highly significant and the included variables explain close to 54 per cent of the variation in earnings, which is high for cross-sectional data. The results show the following:

- Males, on average, earn about \$15 more per month than females, controlling for age, education, sector of employment, country of origin, province of employment in Thailand, migration status, and method of migration.

- ▶ Relatively older workers earned less (by \$9–12), on average, compared to the younger workers, controlling for the other variables in the regression. Although somewhat unexpected, this might in part be because the workers considered in the survey are doing low-skilled work in agriculture, construction, and domestic work, for which strength and stamina are important, and which younger workers are more likely to possess.
- ▶ There is no linear pattern with respect to education, but those who attended but did not finish primary school earned about \$18 less than those who finished secondary and its equivalent, again controlling for the other variables in the regression.
- ▶ Those who worked in construction earned about \$72 more than those who did domestic work, controlling for the other variables in the regression.
- ▶ Compared to those from Cambodia, those from Myanmar earned \$53 more and those from the Lao People's Democratic Republic earned \$33 more, on average, controlling for the other variables in the regression.
- ▶ Those who worked in provinces other than Greater Bangkok earned less than those who worked in Greater Bangkok, with those working in Tak earning \$118 less, on average, controlling for the other variables in the regression.
- ▶ Fully irregular workers earned \$18 less, and irregular NV ongoing workers earned \$35 less, on average, than regular workers, controlling for the other variables in the regression. There is no statistically significant difference in the earnings of regular workers with irregular NV completed workers.
- ▶ There is no evidence that those who go through a registered recruitment agency end up earning more, on average, after controlling for the other variables in the regression. The results show no significant difference in earnings between those who went through a registered recruitment agency and those directly employed by employer, but those who went through a non-registered broker, through friends or family, or independently earned more, on average, after controlling for the other variables in the regression.

▶ TABLE 20.

Robust correlates of earnings per month

Migrant characteristics	Coefficient	p-value	Significance
▶ Sex (base = Female)			
Male	14.5	0.000	***
▶ Age group (base = 18–24)			
25–29	-1.2	0.784	–
30–39	-8.8	0.038	**
40–55	-12.0	0.025	**
▶ Education level (base = At least Secondary ¹ /Intermediate middle school ² /Low secondary ³)			
Never attended school	-2.3	0.718	–
Not finished primary	-18.1	0.005	***
Primary	-0.3	0.956	–
▶ Sector of employment (base = Domestic work)			
Agriculture	-9.0	0.306	–
Construction	71.9	0.000	***

Migrant characteristics	Coefficient	p-value	Significance
▶ Country of origin (base = Cambodia)			
Myanmar	52.9	0.000	***
Lao PDR	33.0	0.003	***
▶ Province in Thailand (base = Greater Bangkok)			
Surat Thani	-28.2	0.009	***
Chonburi	-53.4	0.000	***
Tak	-117.5	0.000	***
Chiang Mai	-44.4	0.000	***
Kanchanaburi	-79.1	0.000	***
▶ Migration status (base = Regular)			
Irregular, NV completed	-5.1	0.426	-
Irregular, NV ongoing	-35.0	0.000	***
Fully irregular	-18.0	0.000	***
▶ Method of migration (base = Through licensed or registered recruitment agency)			
Through non-registered broker	22.3	0.008	**
Direct recruitment by an employer	-11.4	0.182	-
Through friends or family	43.2	0.000	**
Independently/on your own	42.9	0.003	**
Constant	220.5	0.000	***
# of observations	1 200.0		
F-stat	43.0		
p-value	0.000		
R-squared	0.539		

▶ Notes: *** significant at 1% level; ** significant at 5% level; * significant at 10% level; - not statistically significant. 1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic.

6.3 Employment conditions

The migrant workers surveyed, on average, worked 6.2 days per week, 9.4 hours per day of work, and a fourth of them reported not getting at least one rest day per week (table 21).

Employment conditions vary widely by province of employment in Thailand, but also by country of origin, sector of employment, and migration status. By province of employment, those who work in Tak reported the highest mean number of working days per week at 6.6, followed closely by Surat Thani at 6.5 and Chiang Mai at 6.4. Relatedly, 57 per cent of those who worked in Tak, 56 per cent of those in Surat Thani, and 50 per cent of those in Chiang Mai reported not getting at least one rest day per week. The longest working hours per day worked were reported in Chonburi (10.9), followed by Surat Thani (9.5) and Greater Bangkok (9.5). This means that those who worked in Surat Thani not only had the second-highest number of working days, they also had second-highest number of hours worked per working day.

By country of origin, workers from the Lao People's Democratic Republic had the highest mean number of days worked per week (6.3) and the highest share of workers who did not receive a rest day (35 per cent). Workers from Cambodia and the Lao People's Democratic Republic worked roughly 10 hours per day of work, on average, but those from Myanmar worked slightly less than 9 hours per day of work. By sector of employment, those in domestic work worked the most days (6.3 days per week) and had the highest share among respondents who did not get a day off (34 per cent), but those in construction worked the longest hours per day worked (10).

By migration status, regular workers do not appear to derive any clear advantage with regard to work days per week or working hours. On average, regular migrant respondents worked 6.2 days per week, which is slightly higher than fully irregular workers but slightly lower than irregular NV completed and ongoing workers. The share of regular workers receiving at least one rest day per week is 77 per cent, which is higher than for NV completed and ongoing workers but lower than fully irregular workers. Regular workers worked 9.4 hours per day, on average, which is higher than for irregular NV completed workers, although lower than for the other two types of irregular workers.

▶ TABLE 21.

Employment conditions, by selected migrant characteristics

Migrant characteristic	Mean no. of days worked per week	Received at least one rest day a week (%)	Mean no. of hours worked per day	Mean monthly earnings
▶ Province of employment				
Greater Bangkok	6.2	78	9.5	291
Surat Thani	6.5	44	9.5	196
Chonburi	6.0	96	10.9	210
Tak	6.6	43	8.0	216
Chiang Mai	6.4	50	8.1	213
Kanchanaburi	5.8	92	8.8	191
Rayong	6.1	82	8.7	205
▶ Country of origin				
Cambodia	6.0	89	9.9	208
Myanmar	6.2	70	8.9	275
Lao PDR	6.3	65	9.7	223
All origin countries	6.2	75	9.4	240
▶ Sector of employment				
Domestic work	6.3	66	9.3	247
Agriculture	6.2	67	8.8	201
Construction	6.1	89	10.0	271
▶ Migration status				
Regular	6.2	77	9.4	281
Irregular, NV completed	6.3	64	8.5	243
Irregular, NV ongoing	6.3	68	9.7	208
Fully irregular	6.1	80	9.7	209

More than 30 per cent of respondents reported never getting paid overtime (table 22). Only 5 per cent of the workers reported getting paid overtime for working on a holiday. As with work days and working hours, payment of overtime is related to province of work, country of origin, and sector of employment. Most regions have a high share of workers who never get paid overtime, but this was especially true of Surat Thani (53 per cent), Chiang Mai (40 per cent), and Kanchanaburi (37 per cent). In contrast, among workers in Chonburi only 1 per cent reported never getting paid overtime. By country of origin, workers from

the Lao People's Democratic Republic had the highest share of never getting paid overtime (44 per cent), followed by Myanmar (33 per cent). And by sector of employment, both agriculture and domestic work had a high share of workers never getting paid overtime (43 per cent and 40 per cent, respectively). By migration status, regular migrant workers reported being more likely to be paid overtime for working on a holiday, but otherwise reported no clear advantage in terms of overtime pay situation. In fact, they reported being slightly more likely to never having received overtime pay (35 per cent).

► TABLE 22.

Situations in which migrant worker respondents got paid overtime, by selected migrant characteristics (%)

Migrant characteristic	Worked more than 8 hours (%)	Worked on holiday (%)	Worked on rest day (%)	Never (%)
► Province of work				
Greater Bangkok	56	11	26	35
Surat Thani	39	0	38	54
Chonburi	100	0	90	1
Tak	82	0	2	22
Chiang Mai	58	0	2	44
Kanchanaburi	50	2	38	37
Rayong	59	0	44	35
► Country of origin				
Cambodia	81	0	68	17
Myanmar	62	6	15	34
Lao PDR	43	8	41	44
► Sector of employment				
Domestic work	48	7	26	40
Agriculture	50	0	36	45
Construction	87	7	50	12
All sectors	63	5	38	31
► Migration status				
Regular	56	12	26	35
Irregular, NV completed	69	1	9	32
Irregular, NV ongoing	61	1	58	33
Fully irregular	68	0	58	26

Deductions from wages were experienced by 40 per cent of the workers surveyed (table 23). Among those who had recruitment cost items deducted from their wages, the most common deductions were for an advance on a wage or a loan (78 per cent), costs for recruitment agent (70 per cent), Thai registration card (70 per cent), medical exam (58 per cent), and travel costs (57 per cent). See section 5.2 for a discussion on the borrowings of migrant workers from their employers. The share of those who experienced salary deductions varied across countries of origin, with Cambodian workers having the highest share of respondents who

experienced wage deductions (67 per cent), followed by the Lao People's Democratic Republic (52 per cent), with Myanmar far behind (14 per cent). The recruitment items for which deductions were made were roughly similar across workers from different countries of origin.

There is a notable difference between regular and irregular migrant workers, however. Among regular migrant workers, only 28 per cent had costs deducted from their wage, compared to 47 per cent for irregular migrant workers (appendix tables 11a and 11b). By country, however, it turns out this is mainly due to Myanmar and the Lao People's Democratic Republic, because among Cambodian respondents a greater share of regular workers had costs deducted from their wages.

► TABLE 23.

Costs deducted from migrant worker respondents' wages, by country of origin

	Cambodia	Myanmar	Lao PDR	All origin countries
No. who had costs deducted from wage	254	72	156	482
% who had costs deducted from wage (%)	67	14	52	40
► Of those who had costs deducted from their wage (n=482), the percentage who had deductions for the following costs:				
Advance on wage or loan (%)	80	64	83	78
Thai registration card (Pink card) (%)	85	61	51	70
Costs for recruitment agent (%)	83	65	51	70
Medical exam (%)	55	49	69	58
Travel costs (%)	64	28	59	57
Accommodation costs (%)	2	19	4	5
Food costs (%)	1	11	5	4
Clothing, equipment costs (%)	1	4	3	2
Contribution to social security (%)	0	3	4	2
Health insurance (%)	0	3	1	1
Interest on advance (%)	0	1	0	0
Don't know for what (%)	0	0	1	0
Training (%)	0	0	0	0
Others (%)	11	0	3	7

6.4 Robust correlates of employment conditions

In this section, we extend the analysis of employment conditions by examining which characteristics of the migrant workers or their employment, or the steps they have taken in the process of their migration are robustly correlated with adverse employment conditions. We look at three employment conditions: number of days worked per week; lack of rest day; and number of hours worked per working day. We employ the same explanatory variables on individual characteristics, employment characteristics, type of documentation possessed, and method of migration as in section 4.5 in the analysis of total recruitment cost and section 6.2 in the analysis of earnings. For the analysis on number of days worked per week and number of hours worked per day, ordinary least squares regression was used. But for the analysis of having no rest day per week, logistic regression was used, as this variable is binary. Logistic regression estimates a probability model

and is a technique that is used when the dependent variable can take on only two values (i.e., with rest day and with no rest day). The results are shown in table 24 below.

We first discuss the results for the regression on the number of days worked per week.

- ▶ First the regression is highly significant and the included variables explain close to 17 per cent of the variation in number of days worked per week.
- ▶ Males, on average, work slightly more days than females (0.06 days per week), controlling for age, education, sector of employment, country of origin, province of employment in Thailand, level of documentation, and method of migration.
- ▶ Those with a primary education worked more days than those with at least a secondary education or its equivalent, controlling for the other variables in the regression. But there is not necessarily a pattern whereby less educated workers work more days, as those who did not finish primary or have no schooling were not statistically different from those with at least secondary education, controlling for the other variables in the regression.
- ▶ Those who work in agriculture and construction work fewer days (0.4 days and 0.3 days, respectively), than those who are in domestic work, controlling for the other variables in the regression.
- ▶ There is no statistically significant difference by country of origin, after controlling for the other variables in the regression.
- ▶ Irregular NV ongoing workers and fully irregular workers work slightly more days than regular workers (each about 0.08 days more), controlling for the other variables in the regression, but there is no statistically significant difference between regular workers and irregular NV completed workers.
- ▶ There is no observed statistical difference in the number of days worked per week by method of migration, implying there is no observed advantage from going through a registered recruitment agency.

In the case of the logistic regression on the probability of having no rest day per week, we find the following:

- ▶ Those who work in construction are more likely to have a rest day per week than those who are in domestic work, controlling for sex, age, education, country of origin, province of employment in Thailand, level of documentation, and method of migration. There is no statistically significant difference between domestic work and agriculture.
- ▶ Those from the Lao People's Democratic Republic and especially those from Myanmar are much more likely to have no rest day per week than those from Cambodia, controlling for the other variables in the regression.
- ▶ Those working in Tak are much more likely to have no rest day compared to those working in Greater Bangkok; while those working in Kanchanaburi are significantly less likely to have no rest day compared to those working in Greater Bangkok, controlling for the other variables in the regression.
- ▶ Those who are fully irregular are significantly less likely to have a rest day per week than regular workers, controlling for the other variables in the regression. But there is no difference between regular worker and irregular NV ongoing or completed workers.
- ▶ Those who migrated through family and friends, and more surprisingly, also those who migrated through non-registered brokers are less likely to have no rest day than those who migrated through a registered recruitment agency, controlling for the other variables in the regression.

The results for the regression on the number of hours worked per working day show the following:

- ▶ The regression is highly significant and the included variables explain 34 per cent of the variation in number of hours worked per working day.
- ▶ There is no statistically significant difference between males and females, controlling for age, education, sector of employment, country of origin, province of employment in Thailand, level of documentation, and method of migration.
- ▶ The workers in the oldest age group (40–55 years) work fewer hours per day, on average, controlling for the other variables in the regression.

- ▶ Those in construction work more than an hour more per working day compared to those in domestic work, but those in agriculture work by about 48 minutes less compared to those in domestic work, controlling for the other variables in the regression.
- ▶ By province of employment in Thailand, those in Surat Thani and Kanchanaburi work significantly more hours per working day (42–48 minutes more) compared to those working in Greater Bangkok, controlling for the other variables in the regression. But those in Tak and Chiang Mai work significantly fewer hours per working day than those in Greater Bangkok.
- ▶ By migration status, irregular NV ongoing and irregular NV completed workers work more hours per day than regular workers, controlling for the other variables in the regression. But there is no statistically significant difference between regular workers and fully irregular workers in terms of number of hours worked per day.
- ▶ By method of migration, compared to those who migrated via a registered recruitment agency, those who migrated through a non-registered broker, via direct recruitment by an employer, or through family and friends work more hours per working day, controlling for the other variables in the regression.

▶ TABLE 24.

Robust correlates of adverse employment conditions

Dependent variable	OLS Regression			Logit regression			OLS Regression		
	No. of days working per week			No. of rest days per week			Normal no. of hours worked per day		
	Coefficient	T-statistic	Signif.	Odds ratio	Z-statistic	Signif.	Coefficient	T-statistic	Signif.
▶ Sex (base = Female)									
Male	0.06	2.040	**	1.31	1.560	-	0.11	1.30	-
▶ Age group (base = 18–24)									
25–29	0.07	1.590	-	1.36	1.450	-	-0.12	-1.12	-
30–39	0.04	1.030	-	1.06	0.260	-	-0.08	-0.77	-
40–55	-0.01	-0.140	-	0.71	-1.250	-	-0.23	-1.70	*
▶ Education level (base = At least Secondary ¹ /Intermediate middle school ² /Low secondary ³)									
Never attended school	-0.01	-0.180	-	0.99	-0.040	-	-0.32	-2.02	**
Not finished primary	0.02	0.390	-	0.65	-1.570	-	-0.21	-1.43	-
Primary	0.11	1.860	*	1.22	0.820	-	-0.12	-0.81	-
▶ Sector of employment (base = domestic work)									
Agriculture	-0.37	-2.490	**	0.99	-0.030	-	-0.79	-3.05	***
Construction	-0.33	-4.920	***	0.09	-5.620	***	1.14	5.58	***
▶ Country of origin (base = Cambodia)									
Myanmar	-0.12	-0.730	-	4.31	2.720	***	-0.72	-2.28	**
Lao PDR	-0.23	-1.410	-	2.70	1.860	**	0.19	0.62	-

Dependent variable	OLS Regression			Logit regression			OLS Regression		
	No. of days working per week			No. of rest days per week			Normal no. of hours worked per day		
	Coefficient	T-statistic	Signif.	Odds ratio	Z-statistic	Signif.	Coefficient	T-statistic	Signif.
► Province in Thailand (base = Greater Bangkok)									
Surat Thani	0.46	2.820	***	1.60	0.940	-	0.80	2.77	***
Chonburi	-0.24	-1.460		1.10	0.130	-	0.22	0.59	-
Tak	0.50	5.130	***	15.04	5.230	***	-2.10	-11.74	***
Chiang Mai	0.18	1.830	*	1.43	0.790		-0.40	-1.75	*
Kanchanaburi	-0.23	-1.380	-	0.12	-3.050	***	0.71	2.17	**
► Migration status (base = Regular)									
Irregular, NV completed	-0.01	-0.290	-	0.70	-1.250	-	0.19	1.59	*
Irregular, NV ongoing	0.08	1.620	*	1.17	0.670	-	0.34	3.04	***
Fully irregular	0.08	1.760	*	2.02	2.530	***	0.22	1.38	-
► Method of migration (base = Through licensed or registered recruitment agency)									
Through non-registered broker	-0.09	-1.510	-	0.53	-1.980	**	0.36	2.26	**
Direct recruitment by an employer	0.08	1.020	-	1.19	0.530	-	0.47	2.78	***
Through friends or family	0.01	0.120	-	0.56	-1.710	*	0.40	2.50	**
Independently/ on your own	0.13	1.190	-	1.64	0.990	-	0.36	1.56	-
Constant	6.35	35.920	-	0.16	-2.910	-	9.20	26.39	-
	No. of observations	1 200		No. of observations	1 200		No. of observations	1 200	
	F-stat	15.1		LR chi2	286.8		F-stat	72.8	
	p-value	0.000		p-value	0.000		p-value	0.000	
	R-squared	0.169		Pseudo R2	0.211		R-squared	0.340	

► Notes: *** significant at 1% level; ** significant at 5% level; * significant at 10% level; - not significant.
1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic.



▶ 07

► Survey findings: Labour rights in current job

7.1 Labour rights possessed by workers

The migrant workers surveyed reported benefiting from a very limited number of labour rights in their current job (table 25). None or almost none reported having the ability to join a union, have severance pay, and receive paid maternity leave (for women). Only a small share, about one in ten have paid annual leave, paid holidays, and paid sick leave. Only 36 per cent kept their ID documents and slightly fewer than one in four reported being paid at least the minimum wage. The only labour right experienced by a majority of the workers (58 per cent) is being paid overtime. Overall, 9 per cent of the workers reported not having any of the nine labour rights listed in table 25. By country of origin, a notable finding is that among workers from Cambodia only a miniscule share were getting paid at least the minimum wage (only 3 per cent, compared to 37 per cent for Myanmar workers and 27 per cent for Lao workers), and no Cambodian workers reported being allowed to keep their ID documents (compared to 64 per cent for Myanmar workers and 32 per cent for Lao workers). Workers from the Lao People's Democratic Republic had the highest share of workers who reported having none of the labour rights listed in table 25 at 14 per cent, compared to 10 per cent for Cambodian workers and 5 per cent for Myanmar workers.

► TABLE 25.

Labour rights provided to respondents in current job, by country of origin (%)

Labour right	Cambodia (n=380) (%)	Myanmar (n=518) (%)	Lao PDR (n=312) (%)	All origin countries (n=1,200) (%)
Paid overtime	81	49	47	58
Keep ID documents	0	64	32	36
Minimum wage	3	37	27	24
Paid annual leave	9	11	12	11
Paid holidays	7	10	10	9
Paid sick leave	4	10	10	8
Paid maternity leave (women only)	1	3	1	2
Severance pay	3	0	0	1
Ability to join a union	0	0	0	0
None	10	5	14	9

7.2 Robust correlates of lack of labour rights

In the previous sub-section, we found that about 9 per cent of respondents reported not having any of the nine basic labour rights enumerated in table 25. Here we identify the characteristics of the factors that are robustly correlated with this lack of labour rights, once again employing the method of logistic regression. The results of the logit regression estimating the probability of having no labour rights are as follows (table 26 Model 1):

- ▶ Workers from Myanmar are more likely to have at least one labour right²⁵ than workers from Cambodia and the Lao People's Democratic Republic, controlling for sex, age, education, sector of employment, province of employment in Thailand, level of documentation, and method of migration. There is no statistically significant difference between workers from the Lao People's Democratic Republic and Cambodia.
- ▶ Those in the youngest age group (18–24 years old) are significantly more likely to have no labour rights compared to those in the 30–39 age group, controlling for the other variables in the regression.
- ▶ Workers in Kanchanaburi, Tak, and Chiang Mai are significantly more likely to have no labour rights than workers in Greater Bangkok, controlling for the other variables in the regression. There is no statistically significant difference between workers in Greater Bangkok and workers in Surat Thani and Chonburi in terms of the lack of access to labour rights.
- ▶ Irregular NV ongoing and irregular NV completed workers are less likely than regular workers to have no labour rights, controlling for the other variables in the regression. But there is no statistically significant difference between regular workers and fully irregular workers.
- ▶ Workers who migrated through direct recruitment by an employer and those who migrated through friends or family are even less likely to have no labour rights than those who migrated through a registered recruitment agency, controlling for the other variables in the regression. There is no statistically significant difference between those who migrated through a registered recruitment agency and those who migrated through a non-registered broker or those who migrated on their own.
- ▶ It should be noted that if region of employment is removed among the explanatory variables (table 26 Model 2), there arise some notable changes in the results, namely, that those from Lao PDR become significantly more likely to have no labour rights compared to those from Cambodia, that those in agriculture become significantly more likely to have no labour rights than those in domestic work, and that fully irregular workers become significantly more likely to have no labour rights than regular workers, controlling for the other variables in the regression. Again, this is indicative of the correlation between region of employment, country of origin, and to some extent, even migration status.

²⁵ When the report says that respondents had “no labour rights”, what is meant is that they reported not having any of the labour rights enumerated in table 25.

▶ TABLE 26.

Logit model: Probability of not having labour rights

Dependent variable: No labour rights	Logit regression					
	Model 1			Model 2		
	Odds ratio	P-value	Significance	Odds ratio	P-value	Significance
▶ Sex (base = Female)						
Male	1.07	0.804	-	1.08	0.773	-
▶ Age group (base = 18-24)						
25-29	0.61	0.112	-	0.56	0.056	**
30-39	0.44	0.009	***	0.41	0.003	***
40-55	0.61	0.176	-	0.64	0.204	-
▶ Education level (base = At least Secondary¹/Intermediate middle school²/Low secondary³)						
Never attended school	0.85	0.736	-	1.45	0.379	-
Not finished primary	0.49	0.097	*	0.64	0.287	-
Primary	1.30	0.501	-	1.64	0.187	-
▶ Sector of employment (base = domestic work)						
Agriculture	1.31	0.773	-	3.65	0.001	***
Construction	0.63	0.719	-	0.33	0.080	*
▶ Country of origin (base = Cambodia)						
Myanmar	0.05	0.018	**	0.94	0.855	-
Lao PDR	1.19	0.867	-	4.79	0.002	***
▶ Province in Thailand (base = Greater Bangkok)						
Surat Thani	1.84	0.569	-	n.a.	n.a.	n.a.
Chonburi	0.06	0.131	-	n.a.	n.a.	n.a.
Tak	26.74	0.009	***	n.a.	n.a.	n.a.
Chiang Mai	9.95	0.058	*	n.a.	n.a.	n.a.
Kanchanaburi	47.08	0.002	***	n.a.	n.a.	n.a.
▶ Migration status (base = Regular)						
Irregular, NV completed	0.26	0.042	*	0.41	0.138	-
Irregular, NV ongoing	0.43	0.038	**	0.52	0.095	*
Fully irregular	1.86	0.109	-	2.14	0.032	**
Direct recruitment by an employer	0.27	0.006	***	0.20	0.000	***
Through friends or family	0.34	0.032	**	0.42	0.067	*
Independently/on your own	0.58	0.485	-	0.80	0.757	-
Constant	0.53	0.581	-	0.10	0.001	-
	No. of observations	1 200		No. of observations	1 200	
	LR chi2	199.2		LR chi2	163.9	
	p-value	0.000		p-value	0.000	
	Pseudo R2	0.274		Pseudo R2	0.226	

▶ Notes: *** significant at 1% level; ** significant at 5% level; * significant at 10% level; - not significant; n.a. not available.
1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic.



▶ 08

► Conclusions and recommendations

8.1 Concluding remarks

Labour migration provides millions of jobs and generates billions of dollars in remittances for migrant workers and their families each year. However decent work deficits are still evident in a number of migration corridors. Safe, orderly, and fair migration has the potential to provide a triple win – for migrant workers, their communities, and countries of origin and destination. Due in large part to the fact that the supply of workers in lower wage countries outstrips the demand in higher income destination countries, migrant workers are highly vulnerable to abuses during recruitment. In many countries with governance gaps – both origin and destination – the recruitment fees and costs are excessive in relation to actual costs incurred. High migration cost significantly erodes development benefits.

Thailand, being the ASEAN country hosting the largest number of migrant workers, has made significant progress towards ensuring the protection of migrant workers. Importantly, the 2017 Royal Ordinance concerning the Management of Migrant Workers adopts the principle of zero recruitment fees for migrant workers. This is very much in line with global consensus that costs and fees related to the recruitment of migrant workers should not be paid by the worker. This important principle is a core provision in the ILO's *General principles and operational guidelines for fair recruitment and Definition of recruitment fees and related costs*, which stipulate that workers shall not be charged directly or indirectly, in whole or in part, any fees or related costs for their recruitment, and provides a definition of recruitment-related costs and fees not to be paid by workers. This principle is backed by the ILO Private Employment Agencies Convention, 1997 (No. 181) which carries the same core principle. The importance of reducing the cost of recruitment is also recognized in the 2030 Agenda for Sustainable Development under a dedicated indicator, SDG Indicator 10.7.1.

However, noting that the Thai Royal Ordinance does not define what constitute the “recruitment costs” not to be charged to migrant workers – but rather stipulates that this needs to be further elaborated under secondary legislation that still has not yet been drafted – migrant workers are still responsible for paying a number of costs related to their recruitment in Thailand.

This report presents the results of a survey on worker-paid recruitment-related costs and fees in 2018 based on KNOMAD methodology. The survey interviewed 1,200 regular and irregular migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar working in agriculture, construction, or domestic work in selected provinces in Thailand. Some key findings of the survey are:

- **Migrant workers earn more in Thailand than in their home countries:** Women and men migrant workers from all three origin countries earned more in Thailand than they did back home prior to migration. The ratio of monthly earnings in Thailand to monthly earnings before coming to Thailand was highest for Lao migrant workers at 2.2, followed by Myanmar at 2.1, and Cambodia at 1.9. The survey did not account for differences in cost of living or other costs that might differ based on country of work.
- **The majority of migrant workers entered Thailand irregularly:** 38 per cent of the surveyed migrant workers entered Thailand through the official channels, i.e., the MOU mechanism (36 per cent) or the border employment regulation (2 per cent). The rest entered the country irregularly. This is partly explained by the fact that the MOU mechanism is perceived as complicated, lengthy, and expensive compared to the option of entering Thailand irregularly through its porous borders.
- **Compliance with minimum wage:** The average monthly earnings of migrant workers in the survey was \$240, more or less at par with the official minimum wage in Thailand (set at \$10 per day excluding overtime). This does not take into account, however, that many migrants systematically work overtime, without being properly compensated for it. Only about one fourth of all workers surveyed reported earning more than the minimum wage. Women, on average, earned less than men.

- ▶ **Recruitment costs and fees in the surveyed corridors can be reduced:** The mean total cost for a migrant worker to come and work in Thailand was \$461, with relatively large differences among the countries of origin: workers from Cambodia paid \$517, followed by Lao workers (\$503), and Myanmar workers (\$394). Women were paid slightly less than men. Compared with many other migration corridors surveyed using the standardized KNOMAD methodology, and as measured by the SDG Indicator 10.7.1, the mean recruitment costs in monthly wages were relatively low, equaling about 1.9 months of earnings. The mean ratios for men and women were about the same (1.9 and 2.0 respectively). However, this ratio differs widely by country of origin: 1.4 for Myanmar workers, 2.3 for Lao workers, and 2.5 for Cambodian workers.
- ▶ **Using the services of recruitment agencies is expensive:** Perhaps not surprisingly, migrant workers using the services of a registered recruitment agency or an official broker paid significantly more than those not using such services, with big variations among the different countries of origin. In Cambodia, the difference in what was paid by those who did and did not avail themselves of an agency or broker was most pronounced, at \$517 versus \$205, followed by the Lao People's Democratic Republic at \$503 versus \$235. Among Myanmar workers it was less pronounced at \$394 versus \$368.
- ▶ **Regular migrants pay more in recruitment fees and costs than irregular migrants:** When comparing the means for the two groups, the difference is not so large (\$497 versus \$474), but when controlling for other differences – such as individual characteristics, sector of employment, country of origin, province of work, and method of migration – through a regression analysis, irregular workers paid significantly less than regular workers, from about \$50 to \$100 less.
- ▶ **Migrant workers are paying fees to recruitment agencies in Thailand:** Of particular note is the fact that 54 per cent of all migrant workers reported that they had made a payment to a recruitment agency or broker in Thailand despite the Royal Ordinance concerning the Management of Migrant Workers prohibiting recruitment agencies in Thailand from charging migrant workers fees for their services.
- ▶ **Apart from the financial costs, the social costs in terms of poor working conditions are still high:** Almost none of the respondents reported having the ability to join a union, having severance pay, or paid maternity leave. Only a small share – about one in ten – have paid annual leave, paid public holidays, and paid sick leave. A substantial share of surveyed workers reported working without a written contract (99 per cent of all Cambodia workers, and 96 per cent and 72 per cent of those in agriculture and domestic work, respectively).
- ▶ **And the social costs for irregular workers are even higher:** While paying less in recruitment costs and fees, irregular migrant workers make a trade-off when they choose not to get the required documentation. Irregular workers are more likely to earn less, have poorer employment conditions, and have more limited labour rights. Irregular workers worked more days per week and are less likely to have an off-day.

8.2 Recommendations

Based on the findings of the survey, this paper proposes the following recommendations:

1. Review and strengthen law and policy governing recruitment of migrant workers including speedy development of implementing rules and regulations

The results suggest that steps must continue to be taken both in Thailand and in the origin countries to reduce recruitment fees and related costs, in particular those associated with getting required documentation. In line with ILO Convention No. 181 and the ILO *General principles and operational guidelines*, Cambodia, the Lao People's Democratic Republic, Myanmar, and Thailand should move towards eliminating worker-paid recruitment fees. Some of these fees and costs should be paid by employers, while others can be eliminated or significantly reduced by governments (such as costs for visas, passports, and other administrative requirements for migration). Governments can also reduce recruitment costs by setting up of state-funded job portals and explore government-to-government arrangements. Mechanisms for direct recruitment by employers can be set-up, bypassing the services of agencies and brokers.

The justification for governments to reduce such administrative fees are pure economic – governments of countries origin should recognize that migrant workers contribute significantly to the development of their communities and countries through the remittances they send home, while the Thai government should recognize that migrant workers contribute significantly to Thailand's GDP²⁶.

Specific recommendations include the following:

- ▶ Guided by the ILO *General principles*, Thailand should urgently develop rights-based and gender-responsive secondary legislation under the Royal Ordinance Concerning the Management of Employment of Migrant Workers defining what constitute the "recruitment costs" not to be charged to migrant workers.
- ▶ As noted, in 2019, Thailand increased the fee for a two-year work visa from THB500²⁷ for two years, to THB1,900 per year. This increase, which constitutes an almost eight-fold rise in visa costs for migrant workers, runs contrary to global commitments to reduce recruitment and migration costs, as reflected in SDG Indicator 10.7.1. The Thai Government should reduce the fee, or even consider eliminating it, for visas issued to migrant workers.
- ▶ Of the three countries of origin, Cambodia is the only country that does not set a cap on the fee that recruitment agencies are allowed to charge for their services. The Government urgently needs to adopt administrative, enforceable regulations (*prakas*) that put a limit on the fees charged by recruitment agencies and phase out worker-paid fees.
- ▶ In the Lao People's Democratic Republic, the government is reviewing the Decree on the Dispatching of Lao Labour to Work Abroad, No. 68 and the sub-ordinate Ministerial Agreement No. 43. As part of finalizing this process, the Government should move towards the elimination of worker-paid fees.
- ▶ Cambodia, the Lao People's Democratic Republic, and Myanmar should consider reviewing the MOUs on labour exchange with Thailand, with the aim to simplify the administrative requirements so that recruitment will be faster, simpler, and cheaper. Such steps are likely to increase the number of migrants going through official channels and reduce irregular migration overall.

2. Ensure effective regulation of recruitment, including better monitoring, enforcement, and information dissemination

While effective legislation is a fundamental building block to ensuring fair recruitment, it is only as effective as its implementation. Political will, institutional mechanisms, and capacity in terms of resources and manpower all need to be in place to ensure effective monitoring and enforcement. The survey has pointed to several important gaps in the implementation of the existing laws and policies in Cambodia, the Lao People's Democratic Republic, Myanmar, and Thailand alike. In all four countries, there is a need to further strengthen the human and financial resources available for monitoring, investigation, and enforcement. Stronger monitoring could include increased capacity to conduct on-site visits and inspections of recruitment agencies, financial audits, and visits to employers in destination countries, as well as the conducting of confidential interviews with service users. Some specific recommendations in this area to consider include:

- ▶ Importantly, in the Lao People's Democratic Republic the Government needs to establish a legal complaints mechanism that allows migrant workers to seek justice, including compensation in cases of overcharging of recruitment costs and related fees (and other migration-related complaints). Decree No. 68 could establish such a mechanism to be further developed through subordinate legislation and standard operating procedures. Revisions to Decree No. 68 must recognize the rights and the role of migrant workers in ensuring that the relevant legal standards are being followed by recruitment agencies. The ability of migrant workers to report complaints relating to fees is critical in the effective regulation of recruitment, and migrant workers must be seen as key partners in the regulatory system.

²⁶ According to a study by the ILO and OECD, migrants were responsible for 4.3 - 6.6 per cent of Thailand's GDP in 2010, while representing 4.7 per cent of the employed population (ILO/OECD, 2017).

²⁷ For those entering under the MOU process.

- ▶ While the Royal Ordinance in Thailand clearly prohibits Thai recruitment agencies from charging fees to migrant workers, this survey finds that these provisions are not being adhered to. The Government needs to monitor recruitment agencies compliance with these provisions and ensure that the licenses of agencies that violate these provisions are withdrawn.
- ▶ To follow on the previous recommendation, effective complaints mechanisms through which migrant workers who have been overcharged by recruitment agencies in Thailand can seek redress and be awarded compensation should be improved. While there are already institutional complaints mechanisms in place in Thailand, the capacity and outreach of these needs to be expanded with expanded geographical reach, including the development of standard operating procedures and referral mechanisms.
- ▶ Cambodia and Myanmar have existing complaints mechanisms through which migrant workers can report excessive charges of fees and that can enable the return of excessive or fraudulent costs and deliver sanctions against recruitment agencies flouting the laws. However, these mechanisms need to be further strengthened and better resourced. Improving complaint mechanisms for migrant workers requires holistic interventions, including establishing clear legal and institutional frameworks; providing capacity-building training to service providers; working collaboratively among government, trade unions, employers, and civil society organizations; conducting effective outreach to migrants; and providing fair and responsive remedies.
- ▶ Accurate information on maximum costs and fees related to recruitment that are to be paid by migrant workers needs to be published on Ministry of Labour's websites and Facebook pages and in other ways made readily available and disseminated to those considering going abroad for work. Pre-departure and post-arrival orientation seminars and intensified information campaigns – especially in rural communities – should be implemented to provide potential and actual migrants with relevant information that can reduce overall migration costs and aid migrants in reaching out to complaints mechanisms if their rights have been violated. Migrant Workers Resource Centres – essentially information, advice, and services centres for migrant workers – are promoted by the ILO as an effective model. A number of these centres, run by governments, trade unions, and civil society organizations, are operational in all four countries.

3. Encourage self-regulation mechanisms with follow-up and monitoring

Government regulations can be supplemented by both industry self-regulation and monitoring by trade unions and civil society organizations. There are several promising examples of self-regulation by private employment agencies through ethical codes of conduct. In South-East Asia, Viet Nam is perhaps the strongest example, where the ILO has supported the development of a monitoring mechanism that ranks agencies according to their compliance with the Code of Conduct of the Viet Nam Association of Manpower and Supply. Based on existing models, the following should be considered:

- ▶ In Myanmar, the private recruitment agency association MOEAF adopted a code of conduct in 2016 and the number of signatories increases every year. The MOEAF should continue its ongoing efforts to encourage members to sign the code. Importantly, the MOEAF has developed guidelines for how to rate signatory members according to their compliance with the code. These efforts should be continued and made public as a means to guide migrant workers on the most ethical recruitment agencies.
- ▶ In Cambodia, the two recruitment agency associations – ACRA and MAC – launched their Code of Conduct in early 2020. Educating members on the importance of complying with the code, and showing the business potential of fair and ethical recruitment are initial steps. Plans for ranking compliance and for capitalizing on the opportunities offered by the Code to demonstrate improved recruitment practices should follow.

- ▶ In the Lao People's Democratic Republic and Thailand, where there are no associations or umbrella bodies for recruitment agencies, a first step would be to consider the establishment of such associations.

4. Improve employment and working conditions in line with national laws and international standards

While the focus of this report is not on estimating and addressing decent work deficits, the “social costs” of migration in terms of poor employment and working conditions cannot be neglected due to the strong correlation between financial and social costs. It is clear that the monetary gains to migrant workers and their families are eroded not only by the high financial cost of migration, but by decent work deficits. Recruitment, immigration, and employment are a continuum, and fair recruitment legislation must be followed by immigration and labour legislation in line with international standards. Work plans to be developed and implemented by ASEAN Member States, following the adoption of the 2017 ASEAN Consensus on the Promotion and Protection of the Rights of Migrant Workers, need to eliminate practices such as employer retention of workers' passports, stringent restrictions on changing jobs, and overly long working hours (ILO, 2018b).

Other broad recommendations include the need to address the fact that only very few migrant workers in Thailand are able to enjoy protections against arbitrary dismissal; join trade unions; have written contracts; have paid annual leave, paid holidays, paid sick leave, and paid parental leave; and receive proper pay for overtime. Strengthening labor inspection, particularly for specifically vulnerable/migrant-dominated sectors is an important part of this. These decent work deficits are accentuated for those in irregular status, emphasizing the need to simplify administrative processes and reduce the costs associated with regular migration.

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► Appendix

► APPENDIX TABLE 1.

Breakdown of sample by characteristics and by gender

Migrant characteristic	No. of males	% share of males (%)	No. of females	% share of females (%)	No. of respondents (male and female)
► Country of origin					
Cambodia	210	55	170	45	380
Myanmar	264	51	254	49	518
Lao PDR	75	25	227	75	302
► Province of employment in Thailand					
Greater Bangkok	193	39	298	61	491
Surat Thani	60	48	65	52	125
Chonburi	118	59	82	41	200
Tak	31	61	20	39	51
Chiang Mai	28	28	73	72	101
Kanchanaburi	27	52	25	48	52
Rayong	92	51	88	49	180
► Education					
No schooling	205	54	175	46	380
Incomplete primary/elementary	176	48	187	52	363
Primary	116	37	197	63	313
At least Secondary ¹ /Intermediate middle ² /Low secondary ³	39	33	78	67	117
► Sector of employment in Thailand					
Domestic work	66	18	295	82	361
Agriculture	203	50	201	50	404
Construction	280	64	155	36	435
► Age					
18–24	124	42	173	58	297
25–29	124	42	174	58	298
30–39	205	48	221	52	426
40–55	96	54	83	46	179
All respondents	549	100	651	100	1 200

► 1 Cambodia, 2 Myanmar, 3 Lao People's Democratic Republic

▶ APPENDIX TABLE 2.

Breakdown of sample by characteristics and by migration status (regular versus irregular)

Migrant characteristic	No. of regular	% share of regular (%)	No. of irregular	% share of irregular (%)	No. of respondents (reg. and irreg.)
▶ Country of origin					
Cambodia	48	13	332	87	380
Myanmar	219	42	299	58	518
Lao PDR	165	55	137	45	302
▶ Province of employment in Thailand					
Greater Bangkok	308	63	183	37	491
Surat Thani	48	38	77	62	125
Chonburi	31	16	169	85	200
Tak	12	24	39	76	51
Chiang Mai	15	15	86	85	101
Kanchanaburi	1	2	51	98	52
Rayong	17	9	163	91	180
▶ Sex					
Male	196	36	353	64	196
Female	236	36	415	64	236
▶ Education					
No schooling	81	21	299	79	380
Incomplete primary/elementary	173	48	190	52	363
Primary	120	38	193	62	313
At least Secondary ¹ /Intermediate middle ² /Low secondary ³	58	40	86	60	144
▶ Sector of employment in Thailand					
Domestic work	167	46	194	54	361
Agriculture	74	18	330	82	404
Construction	191	44	244	56	435
▶ Age					
18–24	83	28	214	72	297
25–29	139	47	159	53	298
30–39	157	37	269	63	426
40–55	53	30	126	70	179
All respondents	432	36	768	64	1 200

▶ 1 Cambodia, 2 Myanmar, 3 Lao People's Democratic Republic

▶ APPENDIX TABLE 3.

Job already arranged before entering Thailand, or found job after entering Thailand? – By migrant characteristic and sex

Migrant characteristic/sex	Before (%)	After (%)	No. of respondents
▶ Province of employment in Thailand			
Male			
Greater Bangkok	54	46	193
Surat Thani	100	0	60
Chonburi	98	2	118
Tak	32	68	31
Chiang Mai	4	96	28
Kanchanaburi	44	56	27
Rayong	48	52	92
Female			
Greater Bangkok	59	41	298
Surat Thani	97	3	65
Chonburi	98	2	82
Tak	15	85	20
Chiang Mai	5	95	73
Kanchanaburi	36	64	25
Rayong	36	64	88
▶ Age			
Male			
18–24	59	41	124
25–29	58	42	124
30–39	71	29	205
40–55	60	40	96
Female			
18–24	49	51	173
25–29	61	39	174
30–39	59	41	221
40–55	55	45	83
▶ Migration status			
Male			
Regular	60	40	196
Irregular	65	35	353
Female			
Regular	56	44	236
Irregular	57	43	415

Migrant characteristic/sex	Before (%)	After (%)	No. of respondents
► Education			
Male			
No schooling	51	49	205
Incomplete primary/elementary	72	28	176
Primary	72	28	116
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	65	35	52
Female			
No schooling	49	51	175
Incomplete primary/elementary	60	40	187
Primary	57	43	197
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	63	37	92
► Sector of employment in Thailand			
Male			
Domestic work	77	23	66
Agriculture	58	42	203
Construction	64	36	280
Female			
Domestic work	52	48	295
Agriculture	53	47	201
Construction	70	30	155
► Country of origin			
Male			
Cambodia	76	24	210
Lao PDR	45	55	264
Myanmar	93	7	75
Female			
Cambodia	66	34	170
Lao PDR	42	58	254
Myanmar	66	34	227
All respondents	60	40	1 200

► Notes: 1 Cambodia, 2 Myanmar, 3 Lao People's Democratic Republic; highlighted areas denote majority.

▶ APPENDIX TABLE 4.

Changed employer since arriving in Thailand? – By migrant characteristic and sex

Migrant characteristic/sex	Yes (%)	No (%)	No. of respondents
▶ Province of employment in Thailand			
Male			
Greater Bangkok	21	79	193
Surat Thani	10	90	60
Chonburi	0	100	118
Tak	13	87	31
Chiang Mai	21	79	28
Kanchanaburi	19	81	27
Rayong	9	91	92
Female			
Greater Bangkok	15	85	298
Surat Thani	9	91	65
Chonburi	0	100	82
Tak	0	100	20
Chiang Mai	22	78	73
Kanchanaburi	8	92	25
Rayong	3	97	88
▶ Age			
Male			
18–24	6	94	124
25–29	10	90	124
30–39	16	84	205
40–55	19	81	96
Female			
18–24	6	94	173
25–29	10	90	174
30–39	14	86	221
40–55	17	83	83

Migrant characteristic/sex	Yes (%)	No (%)	No. of respondents
► Migration status			
Male			
Regular	14	86	196
Irregular	12	88	353
Female			
Regular	12	88	236
Irregular	10	90	415
Education			
Male			
No schooling	11	89	205
Incomplete primary/elementary	16	84	176
Primary	11	89	116
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	10	90	52
Female			
No schooling	12	88	175
Incomplete primary/elementary	12	88	187
Primary	9	91	197
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	12	88	92
► Sector of employment in Thailand			
Male			
Domestic work	36	64	66
Agriculture	12	88	203
Construction	8	92	280
Female			
Domestic work	17	83	295
Agriculture	6	94	201
Construction	6	94	155
► Country of origin			
Male			
Cambodia	4	96	210
Lao PDR	17	83	264
Myanmar	23	77	75
Female			
Cambodia	2	98	170
Lao PDR	19	81	254
Myanmar	9	91	227
All respondents	12	88	1 200

► Notes: 1 Cambodia, 2 Myanmar, 3 Lao People's Democratic Republic; highlighted areas denote majority.

▶ APPENDIX TABLE 5.

Received a written work contract when you started work in Thailand? – By migrant characteristic and sex

Migrant characteristic/sex	Yes (%)	No (%)	No. of respondents
▶ Province of employment in Thailand			
Male			
Greater Bangkok	59	41	193
Surat Thani	0	100	60
Chonburi	0	100	118
Tak	29	71	31
Chiang Mai	4	96	28
Kanchanaburi	15	85	27
Rayong	3	97	92
Female			
Greater Bangkok	49	51	298
Surat Thani	0	100	65
Chonburi	0	100	82
Tak	65	35	20
Chiang Mai	7	93	73
Kanchanaburi	28	72	25
Rayong	2	98	88
▶ Age			
Male			
18–24	23	77	124
25–29	32	68	124
30–39	23	77	205
40–55	16	84	96
Female			
18–24	21	79	173
25–29	33	67	174
30–39	27	73	221
40–55	23	77	83

Migrant characteristic/sex	Yes (%)	No (%)	No. of respondents
► Migration status			
Male			
Regular	47	53	196
Irregular	11	89	353
Female			
Regular	57	43	236
Irregular	9	91	415
► Education			
Male			
No schooling	21	79	205
Incomplete primary/elementary	28	72	176
Primary	21	79	116
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	25	75	52
Female			
No schooling	7	93	175
Incomplete primary/elementary	43	57	187
Primary	28	72	197
At least Secondary ¹ /Intermediate middle ² / Low secondary ³	25	75	92
► Sector of employment in Thailand			
Male			
Domestic work	2	98	66
Agriculture	3	97	203
Construction	44	56	280
Female			
Domestic work	34	66	295
Agriculture	5	95	201
Construction	39	61	155
► Country of origin			
Male			
Cambodia	1	99	210
Lao PDR	48	52	264
Myanmar	1	99	75
Female			
Cambodia	1	99	170
Lao PDR	35	65	254
Myanmar	36	64	227
All respondents	25	75	1 200

► Notes: 1 Cambodia, 2 Myanmar, 3 Lao People's Democratic Republic; highlighted areas denote majority.

▶ APPENDIX TABLE 6a.

Experienced financial difficulties as a result of loans – Male respondents

Experience	Cambodia	Myanmar	Lao PDR	All origin countries
# experienced financial difficulties ¹	129	94	70	293
% experienced financial difficulties ¹ (%)	69	90	99	81
▶ Of those who experienced financial difficulties				
% who had to cut back on necessities like food (%)	56	88	63	68
% who had to borrow again to pay existing debt (%)	48	36	63	51
% who lost ownership of assets used as security for the loan (%)	10	4	10	9
% who unable to buy things they need (%)	77	61	97	76
% who had to postpone social commitments (wedding celebration, etc.) (%)	7	6	4	8
% other (%)	0	0	0	0

¹ The figures in this row only apply to those male respondents who secured a loan or loans in order to migrate (n=362).

▶ APPENDIX TABLE 6b.

Experienced financial difficulties as a result of loans – Female respondents

Experience	Cambodia	Myanmar	Lao PDR	All origin countries
# experienced financial difficulties ¹	98	74	140	312
% experienced financial difficulties ¹ (%)	71	69	97	80
▶ Of those who experienced financial difficulties				
% who had to cut back on necessities like food (%)	52	93	61	66
% who had to borrow again to pay existing debt (%)	51	39	38	45
% who lost ownership of assets used as security for the loan (%)	9	9	7	12
% who unable to buy things they need (%)	76	58	82	78
% who had to postpone social commitments (wedding celebration, etc.) (%)	8	4	4	6
% other (%)	0	0	0	0

¹ The figures in this row only apply to those female respondents who secured a loan or loans in order to migrate (n=390).

▶ APPENDIX TABLE 7a.

Monthly earnings in Thailand and in the country of origin (\$) – Male respondents

Migration status	Cambodia	Myanmar	Lao PDR	All origin countries
▶ Monthly earnings in Thailand (\$)				
Regular	219	322	244	281
Irregular, NV completed	242	243	246	243
Irregular, NV ongoing	205	284	182	208
Fully irregular	204	217	280	210
All migrant workers	208	275	223	240
▶ Monthly earnings before coming to Thailand (\$)				
Regular	116	160	118	137
Irregular, NV completed	136	121	184	124
Irregular, NV ongoing	56	122	78	91
Fully irregular	109	105	124	108
All migrant workers	110	130	103	117
▶ Ratio of mean monthly earnings in Thailand to mean monthly earnings in home country				
Regular	1.9	2.0	2.1	2.1
Irregular, NV completed	1.8	2.0	1.3	2.0
Irregular, NV ongoing	3.7	2.3	2.3	2.3
Fully irregular	1.9	2.1	2.3	1.9
All migrant workers	1.9	2.1	2.2	2.1

▶ APPENDIX TABLE 7b.

Monthly earnings in Thailand and in the country of origin (\$) – Female respondents

Migration status	Cambodia	Myanmar	Lao PDR	All origin countries
▶ Monthly earnings in Thailand (\$)				
Regular	192	300	283	288
Irregular, NV completed	265	212	258	215
Irregular, NV ongoing	n.a.	276	199	231
Fully irregular	188	194	285	206
All migrant workers	193	240	260	240
▶ Monthly earnings before coming to Thailand (\$)				
Regular	118	139	136	137
Irregular, NV completed	118	104	184	107
Irregular, NV ongoing	n.a.	119	88	101
Fully irregular	82	110	124	99
All migrant workers	87	116	123	114
▶ Ratio of mean monthly earnings in Thailand to mean monthly earnings in home country				
Regular	1.6	2.2	2.1	2.1
Irregular, NV completed	2.3	2.0	1.4	2.0
Irregular, NV ongoing	n.a.	2.3	2.3	2.3
Fully irregular	2.3	1.8	2.3	2.1
All migrant workers	2.2	2.1	2.1	2.1

▶ n.a. = not applicable.

▶ APPENDIX TABLE 8a.

Employment conditions – Male respondents

Migrant characteristic	Mean no. of days worked per week	Received at least one rest day a week (%)	Mean no. of hours worked per day	Mean monthly earnings
▶ Province of employment				
Greater Bangkok	6.1	84	9.5	321
Surat Thani	6.6	38	9.5	202
Chonburi	6.0	96	10.9	223
Tak	6.6	42	8.0	230
Chiang Mai	6.3	46	8.1	243
Kanchanaburi	5.7	89	8.8	191
Rayong	6.2	80	8.7	208
▶ Country of origin				
Cambodia	6.1	89	9.9	217
Myanmar	6.2	73	8.9	300
Lao PDR	6.4	57	9.7	185
All origin countries	6.2	77	9.5	252
▶ Sector of employment				
Domestic work	6.3	67	9.3	223
Agriculture	6.2	65	8.8	208
Construction	6.1	89	10.0	292
▶ Migration status				
Regular	6.1	80	9.5	296
Irregular, NV completed	6.3	69	8.6	271
Irregular, NV ongoing	6.3	67	9.9	213
Fully irregular	6.1	81	9.8	215

▶ APPENDIX TABLE 8b.

Employment conditions – Female respondents

Migrant characteristic	Mean no. of days worked per week	Received at least one rest day a week (%)	Mean no. of hours worked per day	Mean monthly earnings
▶ Province of employment				
Greater Bangkok	6.2	73	9.4	271
Surat Thani	6.4	49	9.5	190
Chonburi	6.0	96	10.9	190
Tak	6.6	45	8.0	194
Chiang Mai	6.4	51	8.1	201
Kanchanaburi	5.8	96	8.8	191
Rayong	6.0	83	8.7	202
▶ Country of origin				
Cambodia	6.0	89	9.9	196
Myanmar	6.3	66	8.9	248
Lao PDR	6.3	67	9.7	235
All origin countries	6.2	73	9.3	230
▶ Sector of employment				
Domestic work	6.3	66	9.3	252
Agriculture	6.1	70	8.8	194
Construction	6.1	89	10.0	234
▶ Migration status				
Regular	6.2	75	9.3	269
Irregular, NV completed	6.3	61	8.4	221
Irregular, NV ongoing	6.3	69	9.6	205
Fully irregular	6.1	78	9.5	203

▶ APPENDIX TABLE 9a.

Frequency of payment – Male respondents (%)

Province of work	Daily (%)	Weekly (%)	Monthly (%)	On an irregular basis (%)	Other (%)	Total (%)
▶ Province of work						
Greater Bangkok	25	13	56	2	4	100
Surat Thani	55	12	30	3	0	100
Chonburi	93	5	1	0	1	100
Tak	71	0	0	0	29	100
Chiang Mai	64	7	29	0	0	100
Kanchanaburi	81	4	15	0	0	100
Rayong	68	12	12	3	4	100
▶ Country of origin						
Cambodia	82	8	6	1	2	100
Myanmar	40	13	40	2	6	100
Lao PDR	52	3	43	0	3	100
▶ Sector of employment						
Domestic work	58	3	36	0	3	100
Agriculture	67	10	19	2	2	100
Construction	51	10	31	1	6	100
All sectors	58	9	27	1	4	100
▶ Migration status						
Regular	36	12	44	2	6	100
Irregular, NV completed	60	5	27	1	7	100
Irregular, NV ongoing	51	5	37	3	5	100
Fully irregular	80	10	8	1	1	100

▶ APPENDIX TABLE 9b.

Frequency of payment – Female respondents (%)

Province of work	Daily (%)	Weekly (%)	Monthly (%)	On an irregular basis (%)	Other (%)	Total (%)
▶ Province of work						
Greater Bangkok	18	16	65	0	1	100
Surat Thani	74	2	22	3	0	100
Chonburi	100	0	0	0	0	100
Tak	50	5	25	5	15	100
Chiang Mai	55	10	36	0	0	100
Kanchanaburi	80	0	12	8	0	100
Rayong	75	6	19	0	0	100
▶ Country of origin						
Cambodia	87	3	10	0	0	100
Myanmar	43	15	38	2	2	100
Lao PDR	27	8	63	0	1	100
▶ Sector of employment						
Domestic work	25	10	64	0	1	100
Agriculture	75	5	18	2	0	100
Construction	61	15	21	1	3	100
All sectors	49	10	40	1	1	100
▶ Migration status						
Regular	21	20	56	0	2	100
Irregular, NV completed	55	6	38	1	0	100
Irregular, NV ongoing	47	1	50	0	2	100
Fully irregular	79	3	16	1	0	100

▶ APPENDIX TABLE 10a.

Situations in which worker got paid overtime in first job – Male respondents (%)

Migrant characteristic	Worked more than 8 hours (%)	Worked on holiday (%)	Worked on rest day (%)	Never (%)
▶ Province of work				
Greater Bangkok	75	11	24	22
Surat Thani	38	0	40	52
Chonburi	100	0	91	1
Tak	74	0	0	29
Chiang Mai	50	0	0	54
Kanchanaburi	44	4	44	37
Rayong	60	0	49	32
▶ Country of origin				
Cambodia	82	0	72	14
Myanmar	66	8	17	28
Lao PDR	56	1	51	43
▶ Sector of employment				
Domestic work	65	2	32	32
Agriculture	50	0	39	42
Construction	88	7	48	11
All sectors	71	4	43	25
▶ Migration status				
Regular	70	10	29	26
Irregular, NV completed	75	1	11	26
Irregular, NV ongoing	67	0	60	30
Fully irregular	72	0	64	22

▶ APPENDIX TABLE 10b.

Situations in which worker got paid overtime in first job – Female respondents (%)

Migrant characteristic	Worked more than 8 hours (%)	Worked on holiday (%)	Worked on rest day (%)	Never (%)
▶ Province of work				
Greater Bangkok	43	11	28	43
Surat Thani	40	0	35	55
Chonburi	100	0	88	0
Tak	95	0	5	10
Chiang Mai	62	0	3	40
Kanchanaburi	56	0	32	36
Rayong	59	0	40	39
▶ Country of origin				
Cambodia	79	0	63	20
Myanmar	57	4	12	41
Lao PDR	38	10	38	45
▶ Sector of employment				
Domestic work	45	8	25	42
Agriculture	50	0	33	47
Construction	86	6	54	14
All sectors	56	5	34	37
▶ Migration status				
Regular	45	13	24	42
Irregular, NV completed	63	0	7	38
Irregular, NV ongoing	58	2	56	34
Fully irregular	65	0	51	31

▶ APPENDIX TABLE 11a.

**Percentage of respondents who had costs deducted from wage
– Regular migration status only**

	Cambodia (%)	Myanmar (%)	Lao PDR (%)	All origin countries (%)
% who had costs deducted from wage (%)	71	6	46	28
No. who had costs deducted from wage	34	13	76	123
▶ Of those who had costs deducted from their wage (n=123), the percentage who had deductions for the following costs:				
Advance on wage or loan (%)	88	54	78	78
Medical exam (%)	50	46	64	59
Travel costs (%)	74	23	55	57
Costs for recruitment agent (%)	85	69	37	54
Thai registration card (Pink card) (%)	18	0	7	9
Contribution to social security (%)	0	15	9	7
Accommodation (%)	3	15	7	7
Food (%)	0	15	8	7
Clothing, equipment (%)	0	0	4	2
Health insurance (%)	0	0	3	2
Don't know for what (%)	0	0	1	1
Training (%)	0	0	0	0
Interest on advance (%)	0	0	0	0
Tax (%)	0	0	0	0
Others				

▶ APPENDIX TABLE 11b.

Percentage of respondents who had costs deducted from wage – Irregular migration status only (%)

	Cambodia	Myanmar	Lao PDR	All origin countries
% who had costs deducted from wage (%)	66	20	58	47
No. who had costs deducted from wage	220	59	80	359
▶ Of those who had costs deducted from their wage (n=359), the percentage who had deductions for the following costs:				
Travel costs (%)	62	29	63	50
Medical exam (%)	55	49	73	49
Costs for recruitment agent (%)	83	64	64	43
Advance on wage or loan (%)	78	66	89	41
Thai registration card (Pink card) (%)	95	75	93	29
Accommodation (%)	1	20	3	21
Food (%)	1	10	3	17
Clothing, equipment (%)	1	5	3	14
Health insurance (%)	0	3	0	9
Interest on advance (%)	0	2	0	5
Training (%)	0	0	0	0
Contribution to social security (%)	0	0	0	0
Tax (%)	0	0	0	0
Don't know for what (%)	0	0	0	0
Others (%)	11	0	0	25

► APPENDIX TABLE 12a.

Labour rights provided in current job – Regular migration status only

Labour right	Cambodia (n=48) (%)	Myanmar (n=219) (%)	Lao PDR (n=165) (%)	All origin countries (n=432) (%)
Paid overtime	90	56	41	54
Minimum wage	4	61	39	46
Keep ID documents	0	50	30	37
Paid annual leave	13	19	19	18
Paid holidays	10	15	15	15
Paid sick leave	8	16	13	14
Paid maternity leave (women only)	2	2	1	2
Severance pay	0	1	1	1
Ability to join a union	0	0	0	0
None	2	1	20	9

► APPENDIX TABLE 12b.

Labour rights provided in current job – Irregular migration status only

Labour right	Cambodia (n=332) (%)	Myanmar (n=299) (%)	Lao PDR (n=137) (%)	All origin countries (n=768) (%)
Paid overtime	79	43	55	61
Keep ID documents	0	74	34	35
Minimum wage	3	19	12	11
Paid annual leave	9	5	4	7
Paid holidays	7	6	3	6
Paid sick leave	3	6	7	5
Severance pay	3	0	0	1
Paid maternity leave (women only)	1	1	0	1
Ability to join a union	0	0	0	0
None	11	8	7	9

▶ APPENDIX TABLE 13.

Robust correlates of total cost of recruitment – Four models

Dependent variable	Model 1			Model 2			Model 3			Model 4		
	Coefficient	P-value	Signif.									
▶ Sex (base = Female)												
Male	28.42	0.001	***	38.16	0.015	**	28.51	0.001	***	30.51	0.001	***
▶ Age group (base = 18–24)												
25–29	-5.99	0.582	-	9.03	0.653	-	-7.48	0.501	-	-1.35	0.910	-
30–39	4.73	0.659	-	25.10	0.219	-	2.21	0.840	-	5.29	0.653	-
40–55	-7.74	0.574	-	8.75	0.739	-	-10.61	0.455	-	-8.65	0.555	-
▶ Education level (base = At least Secondary¹/Intermediate middle school²/Low secondary³)												
Never attended school	-13.35	0.408	-	-0.75	0.977	-	-14.17	0.382	-	-15.13	0.365	-
Not finished primary	2.83	0.859	-	15.62	0.526	-	1.95	0.903	-	5.70	0.734	-
Primary	21.52	0.185	-	40.61	0.071	*	21.40	0.187	-	10.90	0.538	-
▶ Sector of employment (base = domestic work)												
Agriculture	26.03	0.406	-	-21.94	0.543	-	26.31	0.401	-	-49.22	0.000	***
Construction	-13.13	0.480	-	-11.19	0.735	-	-12.94	0.487	-	-8.55	0.576	-
▶ Country of origin (base = Cambodia)												
Myanmar	1.75	0.962	-	-23.10	0.647	-	0.91	0.980	-	-137.68	0.000	***
Lao PDR	40.37	0.269	-	-6.63	0.892	-	39.89	0.275	-	-63.14	0.003	***
▶ Province in Thailand (base = Greater Bangkok)												
Surat Thani	-33.43	0.344	-	24.92	0.581	-	-33.94	0.337	-	n.a.	n.a.	n.a.
Chonburi	160.45	0.000	***	126.30	0.014	**	160.39	0.000	***	n.a.	n.a.	n.a.
Tak	-230.27	0.000	***	-251.14	0.000	***	-226.18	0.000	***	n.a.	n.a.	n.a.
Chiang Mai	-83.10	0.005	***	-72.05	0.129	-	-79.61	0.007	***	n.a.	n.a.	n.a.
Kanchanaburi	-146.32	0.000	***	-81.31	0.110	-	-147.30	0.000	***	n.a.	n.a.	n.a.

Dependent variable	Model 1			Model 2			Model 3			Model 4		
	Coefficient	P-value	Signif.	Coefficient	P-value	Signif.	Coefficient	P-value	Signif.	Coefficient	P-value	Signif.
► Migration status (base = Regular)												
Irregular, NV completed	-47.63	0.006	***	-68.09	0.045	**	-46.68	0.009	***	-94.05	0.000	***
Irregular, NV ongoing	-57.82	0.000	***	-80.71	0.000	***	-58.07	0.000	***	-65.66	0.000	***
Fully irregular	-76.24	0.000	***	-99.99	0.000	***	-76.42	0.000	***	-71.64	0.000	***
► Method of migration (base = Through licensed or registered recruitment agency)												
Through non-registered broker	16.35	0.375	-	8.45	0.731	-	18.19	0.321	-	-9.31	0.622	-
Direct recruitment by an employer	15.39	0.514	-	25.74	0.383	-	13.97	0.557	-	10.25	0.573	-
Through friends or family	-62.10	0.001	***	-9.15	0.782	-	-60.85	0.001	***	-59.91	0.002	***
Independently/on your own	-114.51	0.000	***	-38.72	0.423	-	-114.79	0.000	***	-135.17	0.000	***
► Wage wedge (ratio of Thailand monthly earning to home country monthly earning)												
Wage wedge	n.a.	n.a.	n.a.	3.87	0.024	**	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
► Repeat migrant (base = first-time migrant)												
Repeat migrant	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.00	0.000	-	n.a.	n.a.	n.a.
Constant	473.67	0.000		461.65	0.000		472.54	0.000		599.06	0.000	
No. of observations	1 200			No. of observations	520		No. of observations	1 200		No. of observations	1 200	
F-stat	42.4			F-stat	22.4		F-stat	40.6		F-stat	25.2	
p-value	0.000			p-value	0.000		p-value	0.000		p-value	0.000	
R-squared	0.345			R-squared	0.344		R-squared	0.345		R-squared	0.247	

Notes:

Model 1 – Base model where total recruitment costs (in \$) are regressed against the explanatory variables in the table.

Model 2 – Model with a wage wedge variable among the explanatory variables. Number of observations for Model 2 is at 520 due to limited data on pre-migration wages for a majority of survey respondents.

Model 3 – Model wherein an indicator for whether the migrant worker was a repeat migrant is added to the base model.

Model 4 – Model wherein the explanatory variables pertaining to province of employment in Thailand have been removed. This is done to illustrate how province of employment impacts the significance of the other explanatory variables.

Signif. = Significance; n.a. = not applicable

*** significant at 1% level; ** significant at 5% level; * significant at 10% level; – not significant.

1 Cambodia; 2 Myanmar; 3 Lao People's Democratic Republic.

► **Recruitment fees and related costs: What migrant workers from Cambodia, the Lao People's Democratic Republic, and Myanmar pay to work in Thailand**

This report presents the findings of a survey on recruitment fees and related costs paid by migrant workers from Cambodia, Lao PDR and Myanmar in order to work in Thailand. The focus is on low-skilled migrant workers who are the most vulnerable to exploitation and abuse because of their low educational qualifications and limited asset base.

The key conclusion is that despite international commitments to eliminate worker-paid recruitment fees and costs, low-skilled migrant workers still carry the financial burden for their recruitment. The average cost is relatively low within the corridors surveyed, mostly because of low travel costs. Despite this, there is scope to reduce the costs further.

The report suggests several policy recommendations for reducing recruitment fees and related costs and thus the vulnerability of migrants, which would increase the development potential of international labour migration.

The survey used a standard methodology developed by the World Bank-led Global Knowledge Partnership on Migration and Development (KNOMAD) initiative, making it possible to compare migration costs across corridors. It also contributes to the reporting on Sustainable Development Goals Indicator 10.7.1 on “recruitment cost borne by employee as a proportion of monthly income earned in country of destination”.

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