

# Preface

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This book was born out of an Asian Development Bank (ADB) technical assistance project—“Capacity Building for Developing Qualification Frameworks under the Mutual Recognition Agreements to Support the ASEAN Economic Community by 2015 and Beyond”—financed by the Japan Fund for Poverty Reduction and implemented by ADB as executing agency. Its overarching goal is to facilitate freer mobility of professionals by enhancing the capacity of key officials to implement Mutual Recognition Arrangements (MRAs) for the ASEAN Economic Community and strengthening evidence-based policy making.

Its journey began with a call for papers in 2015 to produce an edited volume—31 submissions were received. During the review process, the book started taking shape around four core areas of skills mobility: (i) its economic impact, (ii) case studies, (iii) policies and mechanisms, and (iv) the impact of higher education.

The authors of selected papers revised and updated their drafts in 2017 and 2018 as they underwent peer review. The key challenge of converting background papers to book chapters was to try to reach a broader audience, while at the same time maintaining a rigorous approach to research questions.

The book is divided into ten chapters, each revolving around the four core areas identified above. It is by no means meant to be the definitive book on skills mobility in ASEAN, but rather to start a conversation grounded in facts.

Chapter 1 opens the book by providing an overview of the latest trends and patterns of the mobility of people across ASEAN against the backdrop of regional economic integration. Next, it explores the possible roles labor mobility will play in the post-2015 ASEAN Economic Community.

Chapter 2 interprets the dynamics of ASEAN labor migration described in Chapter 1 through the lens of existing academic literature on migration. While a potential consequence of the lack of data on skilled migration is that perceptions and speculations drive the policy debate, the key findings in the literature establish a factual basis for current and future policy decisions.

Chapters 3, 4, and 5 use a computable general equilibrium (CGE)

approach to quantify the potential economic impact of skills mobility on the broader economy, the services sector, and the banking sector, respectively. The quantitative findings support the view that freer flows of skilled labor expand output and employment in ASEAN, although—as expected from any form of liberalization—there are winners and losers.

Chapter 6 focuses on the relationship between higher education and skills mobility. It investigates the role human capital stock plays as a determinant of migration and the impact of migration on postsecondary-educated human capital stock. It finds that high-skill intra-ASEAN migration is explained by the postsecondary-educated human capital stock in the source country, but not in the host country. At the same time, bilateral high-skill intra-ASEAN mobility explains the postsecondary-educated human capital stock in both source and host countries. Therefore, it concludes that high-skill ASEAN mobility could have a positive relationship with an increase in postsecondary-education investment in source countries.

Chapter 7 uses a theoretical model with migration tax to investigate how an exit tax affects both the stock and flow of migrant workers in a country. The numerical solution shows that the choice of tax influences both current and future patterns of migration. Next, the chapter discusses a regressive migration tax as an incentive to the relatively unskilled to acquire the skills needed before attempting to migrate.

Chapter 8 provides a qualitative assessment of two case studies: (i) the migration of Indonesian careworkers to Taipei, China; and (ii) the migration of Indonesian nurses and careworkers to Japan. It provides an extensive policy background for these two cases, and then attempts to draw lessons in terms of cost of migration, matching qualifications, and cultural barriers from a source country perspective.

Chapter 9 is a case study of Thailand's engineering sector, which provides a host-country perspective. It conducts a supply-side analysis using data from the 2007–2009 Thai Labor Force Surveys and finds that engineers have as good or better career prospects within Thailand in terms of formal employment and wages compared with other highly educated workers. Given Thailand's attractive work environment, it is possible that engineers from other ASEAN countries will consider engineering jobs in Thailand, implying that Thai workers should upgrade their skills to survive in a more competitive environment.

Finally, Chapter 10 gazes into the future to add to the ongoing debates on how the Fourth Industrial Revolution (4IR) will affect ASEAN in the context of skill flows and labor mobility. As barriers to communication continue to decline, two key trends emerge: (i) a clear pattern of return and circular migration, as well as transit migration; and (ii) that workers of the

4IR will more likely be self-employed and hold a portfolio of jobs. Virtual migration is also rising, although further research is required to better understand this phenomenon. Whether physical or virtual, circular or permanent, it is argued that skills mobility remains of strategic importance in supporting economic growth and inclusiveness in the region.

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