IS SINGLE LABOR MARKET IN ASEAN POSSIBLE? ¹

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Founded in 1967, ASEAN has since matured into a regional organization that focused on economic growth and integration, and the consensus-building. Today, ASEAN has become world's seventh-largest market and third-largest labor force. The organization has also been projected to become the fourth-largest economic bloc by 2030. All of the achievement was realized through the ASEAN Way, in the sense that the process is pursued by promoting the basic principles of ASEAN. As we celebrate the success in 50 years of ASEAN, we should anticipate enthusiastically all possible future achievements, while we, as part of the ASEAN, work hand-in-hand for the real change. This is what ASEAN Philippines' Chairman reflects as the 50th Year of Being One ASEAN [1].

In the late 2015, the ASEAN Economic Community (AEC) was established to create a single market and production base—facilitating even closer economic, political, social, and cultural cooperation. Through this establishment, it is important to then analyze the opportunities and prospects of ASEAN for realizing a single labor market in Southeast Asia.

Earlier, in an interview with the Asian Wall Street Journal on the ASEAN Community Declaration in 2003, Ong Keng Yong argued that the AEC will be a single market and production base, characterized by the free movement of goods, services, investment, and capital by the year 2020. A roadmap for the integration of the financial sector forms part of the AEC process, which include financial services and capital account liberalization, capital market development, and currency cooperation. The AEC will also facilitate the movement of businessmen, skilled labor, and talents within the region [2].

Thereby, some studies of workers in ASEAN, especially in the phenomenon of AEC can be used as a basis to illustrate the conditions and mapping of opportunities for migrant workers from ASEAN countries to compete in the single labor market in Southeast Asia. Huy Hoàng Nguyen argued that the AEC is an opportunity for the CLMV member countries (Cambodia, Lao PDR, Myanmar and Viet Nam) to improve the quality of labor for integration within the ASEAN labor market [3].

In addition to that, Aniceto C. Oberta Jr. argued that the movement of unskilled and semi-skilled workers should be accommodated within the AEC so that its application could be better based on the fact that agricultural, manufacturing and service sectors are dominated by unskilled and semi-skilled workers who dominate immigrant workers in ASEAN [4]. Furthermore, Natenapha Wailerdasak stated that the AEC is one of the

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motivations for the Thai government to increase investment abroad, especially ASEAN countries in order to increase competition and solve the problem of the scarcity of workers [5].

Apart from the above perspective, my analysis on the position of Indonesian migrant workers tends to see that the map and position of Indonesian worker is still worrying. The profession that is filled by Indonesian workers (TKI) abroad is almost dominated in informal sector, such as working as domestic workers (PLRT). Taking into account the challenges of the phenomenon of AEC 2015, it is understandable that this kind of job will not give any promising future or even strengthening the bargaining position of Indonesian migrant workers. This reality also proves such irony that Indonesian, until today, has not been able to meet the needs of the skilled labor market in ASEAN [6].

Shane Preuss in ASEAN in 2017: Regional Integration in An Age of Uncertainty providing some insight as to how ASEAN wide framework could be developed by taking specific case on the development of the low-skilled migration scheme in the Greater Mekong Sub-region (GMS). Thailand has become a major destination for low-skilled migration on GMS and thus has signed several MoUs with three labor-sending countries: Lao PDR, Cambodia and Myanmar. This proves that such agreements can serve as a framework for the development of the low-skilled ASEAN migration scheme [7].

The idea of a single labor market applied to a regional organization, one of which has been run among European Union member countries. Publication of Annabelle Krause, Ulf Rinne and Klaus F. Zimmermann [8] stated that European integration with its single market is supposed to guarantee the free movement of goods, services, capital and workers [9]. The idea of the free movement of workers, however, was developed long before the term "Single European Market" was established in 1992. In 1951, the Treaty of Paris [10] followed by the Treaty of Rome [11] in 1957. By fostering growth through a more efficient allocation of labor between countries with labor surpluses and those with labor shortages, the free movement of labor would most likely create higher economic welfare [12]. Moreover, from a social perspective, mobility within Europe potentially increases the European social-cultural integration and strengthens European identity [13]. This publication conclude that labor market experts agree that free labor mobility is important for overall economic welfare, economic integration and society.

Entering 50 years of ASEAN, the problem faced by almost all ASEAN countries on this issue is related to the provision of employment. If we compare the conditions occurring in ASEAN to those occurring in the EU, regardless of institutional differences, we may found that the idea of a single labor market can be applied.

ASEAN's understanding on the importance of single labor market can be reviewed on the Roadmap for an ASEAN Community 2009-2015 [14], which places free flow of the

skilled labor as the fifth point of the characteristics of a single market and production base. The Roadmap Blueprint states that strengthening through capability research from each ASEAN countries to promote capability, placement, and market development of labor is based on information networks between ASEAN countries. As a follow up, two priority actions have been made between 2008-2009 and 2014-2015 that contain directives to create Mutual Recognition Agreements (MRAs) and develop the core competencies of the MRA agreed profession. As of March 2015, there are already eight MRAs allowing for skilled labor to move around in ASEAN in the following professions: medical doctors, dentists, nurses, architects, engineers, accountants, surveyors and tourism professionals. However, these eight professions only account for 1.5% of the total ASEAN workforce. These MRAs also do not enable eligible professionals to move perfectly freely around ASEAN, as many country have instituted a priority for their own citizens [15].

In addition, ASEAN has also agreed on the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers [16] on 2007 in the Philippines and establish ASEAN Commission on Migrant Workers (ACMW) [17] with purposes (1) to ensure commitments made under the Declaration on Migrant Worker Rights are implemented; and (2) develop an ASEAN instrument on the protection and promotion of the rights of migrant workers.

In the end, it can be understood that the single labor market has an opportunity to be developed in ASEAN by using MRAs scheme. However, the eight skilled labor professions approved in MRAs represent only 1.5% of the total ASEAN workforce. Furthermore, the discussion of the best practices from the implementation of safe work migration also needs to be identified more deeply among countries with sufficient foreign employment, such as: Indonesia, Philippines and Thailand, with less-experienced countries such as Cambodia, Lao PDR, and Myanmar. Likewise, diplomacy of employment in destination countries such as Singapore, Brunei, Malaysia and Thailand, needs to be continued.

By looking at past studies and the prospects for the development of ASEAN for the next 50 years, it is important to review the number of sector in each ASEAN countries that requires labor in order to create mutually beneficial relationships. Strengthening the position of ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers as an umbrella policy in ASEAN while still accommodating low-skilled migrants and semi-skilled migrants in the spirit of the ASEAN Community and strengthening the role of the ASEAN Commission on Migrant Workers as institutions that are tasked with promoting the rights of migrant workers in the region.

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