LABOUR MIGRATION AS A TOOL FOR
POVERTY REDUCTION

A case study from a northern upland commune in Vietnam

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Abstract

The government of Vietnam has recently launched policies concerning labour migration as a tool for poverty reduction. The purpose of this study is to examine the extent to which these policies contribute to poverty reduction by focusing on one commune in the northern uplands of Viet Nam, where people have been encouraged to go to Malaysia as contracted workers. This study is a contribution made from local people’s experience and their own perspective concerning this matter. The empirical material, based on semi-structured interviews and group discussions with local people, both the migrant labourers themselves and their families, is analysed according to the “two social realities” approach in the context of labour migration. The findings of this study suggest that the policy of exporting labour should not be seen a good tool for poverty reduction in the context of Vietnamese society, where a lack of information, transparency and social security leaves contracted workers unprotected while overseas.
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Introduction

This study focuses on overseas labour migration as a means of poverty reduction, taking the case of the migrants’ home commune in the northern upland of Vietnam and their destination in Malaysia. Vietnam is one of the countries in Southeast Asia (SEA) that has chosen to follow the path of nation-building and modernisation through a market economic model. Over recent decades the modernization project has been intensively promoted by the government, both economically and politically. Economically, Vietnam has chosen export as a major strategy for development. In addition to rice, coffee, seafood and other agricultural items, labour is also considered as a commodity for export. Since Vietnam has the great advantage of a young labour force, the government of Vietnam believes that together with the economic benefit for the country and the individual migrants, the political system would also be more stable and the party would be strengthened by labour migration.\(^1\) Hundreds of thousands of Vietnamese labourers have undertaken labour contracts in some forty countries around the world, which in return makes the remittance of foreign funds to Vietnam up to 1.5 billion dollars per year.\(^2\)

In recent years there have been a number of studies on labour migration and not least in Southeast Asia. They have mainly focused on macro or micro economic issues. Some studies argue for or against free labour movement, such as Aris Ananta and Evi Nurvidya Arifin who argue that an open economic approach is not always beneficial because each country has its own interests that differ between countries, and there are different social and political factors within and among different countries.\(^3\) Other studies have looked at the impact on migrant households in the country of origin due to remittances. Diego C. Asencio has argued that labour migration might bring economic benefit for the migrants and their families, but it “is not a short-cut to effective development – notwithstanding often substantial remittances.”\(^4\)

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This supports the view of the Vietnamese government that labour migration could be an effective tool for poverty reduction. Little has been done, however, to look into overseas labour migration as an explicit means of poverty alleviation and particularly the fate of the migrants and their families. One question is whether the expectations of the government of Vietnam converge with what people experience in reality. More concretely, if the policy for exporting labour is of benefit the Vietnamese migrant labourers or not needs to be studied further. This study is an attempt to better understand this issue, focusing on people’s own perception of success and failure often described in terms of indebtedness, ability to send remittances, etc.

The study focuses on three major aspects of labour migration. First, it deals with the system of social security provided by the authorities and agencies in the country of origin. Second, it analyses the risk of failure perceived by either the migrant or the community of origin. Third, the study looks closely at the migration process and the major causes of problems that overseas contracted workers face. The question is whether labour migration can be an efficient tool for poverty reduction.

**Objective**

This thesis aims at exploring the relationship between labour migration and poverty reduction in Vietnam. It is an attempt to examine to what extent the government policy on labour export contributes to poverty reduction by carrying out a case study in an upland commune in northern Vietnam, with the focus of organized migrant workers from the area to Malaysia. My analysis focuses on people’s experiences and perceptions of this particular means of poverty reduction and it includes both migrants who are, or have been, in Malaysia and their families in Vietnam.

The overall research question is: to what extent does labour migration contribute to poverty reduction according to the people’s view? The sub-questions are:

- Which factors influence the decision to become a labour migrant?
- How do the migrants’ own expectations compare to reality?"
- What are the major causes for the problems that overseas contracted workers face?
**Methodology**

I have chosen to conduct a single case study within an ethnic minority commune in rural northern Vietnam. The study focuses on a group of individuals who have chosen to migrate to Malaysia as unskilled labourers. In order to make the research task manageable, I have chosen to limit the empirical focus to one single case. Taking a specific area in Vietnam, the study means to bring the ‘microscope’ down to the level of a certain group of migrant labourers. The advantage is that ‘case study’ refers to research in considerable depth. My previous work experience in the area has given me a certain understanding of the communities and allows me to dig deeper into the issue of migration. I recognise that a single case study can be criticised for the risk of low comparability in terms of theoretical models, and that it is difficult to apply exactly similar methods of data collection in different cases.

While making the case study I chose the methods of interview and group discussion. Interviews are special forms of conversation that provide empirical data about social issues by asking people to talk about their experiences, their opinions, and their lives in more general terms. Interview is believed to be the most widely used technique for conducting systematic social inquiry. Since the aim of the study is to analyse people’s experiences and opinions concerning the relation between labour migration and poverty reduction, I find interviewing the most suitable method that may provide access to the meaning people in the area would attribute to their social worlds and experiences.

I am also aware of the dilemmas that the interviewing researcher can face concerning the use and interpretation of data, which has been the subject of ongoing debate between positivists, emotionalists and radical social constructionists. The positivists believe that the interview is a mirror reflection of the social world, whereas the constructivist acknowledges that the

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interview method is only a “construct[ed] narrative version” of two individual subjectivities. Concerning the latter, Jody Miller and Barry Glassner explained, “[T]he problem with looking at these narrative as representative of some “truth” in the world, according to these scholars, is that they are context specific, invented, if you will, to fit the demands of the interactive context of the interview, and representative of nothing more or less.” However, in order to take note of people voices concerning certain matters we need to talk to them. I share the point of view that “we are not willing to discount entirely the possibility of learning about the social world beyond the interview in our analyses of interview data.” The problem pointed out by the constructivist cannot be dismissed. Therefore, the information needs to be triangulated and assessed actively by the researcher, and single interviews should be combined with other methods such as group discussion. For this study, I conducted altogether sixteen interviews in Vietnam and Malaysia.

I chose semi-structure interviews for all cases. It involves the formulation of a number of pre-determined questions and special topics. Bruce L. Berg comments that with this type of interview, the interviewers are allowed to go beyond the topic freely, as well as being able to explore beyond the answers to their standardized questions. By carrying out semi-structured interviews, I let people talk more freely and more at length over the issues that I considered crucial for my study.

Group discussion as a method has the advantage of collecting data rather quickly from a large aggregation of participants, and it is considered more ‘naturalistic’ than interview in the sense that group discussion can include a range of communicative processes between, not only the researcher and the participants, but also among the people themselves. For this particular study, this method is a good combination with interviews because it broadens the case study

8 Ibid.
9 Ibid, p.126
10 Berg, Bruce L. (2004), Qualitative Research Methods for The Social Sciences, fifth edition, California State University, Long Beach, p..81
in terms of people’s wider opinions. I carried out six group discussions with groups varied in size from three to five participants both in Malaysia and Vietnam. It provided a good opportunity to see the social interaction between people and not least their interest in the issues discussed. For this study, it was of utmost importance to let the interviewees express their concerns.\(^\text{12}\) Lastly, due to the group dynamic, group discussion will often lead to unexpected insights.

Though group interviews can be a very dynamic method, the disadvantage is that there is the tendency that one or two participants might have certain influence on the overall discussion, taking over the discussion and leaving the others as passive participants. In other words, asymmetrical relations of power between people in terms of gender, age, and ethnicity tend to silence certain categories of people. In the context of Vietnamese society for example, older Kinh male participants with government positions often dominate other participants in group discussions. Sue Wilkinson, for instance, has stressed the importance of ‘full participation’, which means to encourage the quiet participants and discourage talkative ones.\(^\text{13}\) In order to limit the problem, I worked with smaller groups which enabled me to listen to all participants. In addition, of the six group discussions, only one of them was a mixed gender group with migrant workers’ parents, so that in other groups gender bias was minimised.

The interviewees were selected applying ‘snowball sampling’. Starting with a list of names and addresses of migrants in Malaysia, I managed to contact one person who would lead me to others until I had sufficient number of interviewees. After gathering a number of migrants, a, what I would like to call, ‘matching method’ was applied where I have interviewed the families of migrant workers whom I interviewed in Malaysia, in their home villages. This was an attempt to gather opinions and perspectives from both those who have experienced working overseas and the people in the same family. These people are closely related to the migrants, and can give a detailed account of the context of the migration process and its consequences: details which the migrants cannot or will not account for themselves. It also

\(^{12}\) This goes in line with the suggestion that “[M]ethods are a means to an end, not an end in themselves.” Scheyvens, Regina and Storey, Donovan. (2003) “Development fieldwork, A Practical Guide”, (eds.) SAGE Publications, London-Thousand Oaks-New Delhi, p.28

gives an opportunity to categorize people’s expectations on one side, and their experiences on the other. The study includes three cases each, of both successful and unsuccessful migration, as described by the migrants themselves.

Another advantage of a ‘matching method’ is that it makes it easier for the researcher to cross-check information that is provided by different family members. Furthermore, doing field work in two different sites let me observe directly the place of origin and the destination of the migrant labourers.

Ethically, carrying out such a qualitative method of ‘matching cases’ requires awareness of the sensitivity of the issues discussed. When conducting ‘matching cases’, it was necessary to show clearly that I aimed at interviewing different family members about one specific matter: labour migration to Malaysia. However, the issue becomes sensitive because it is inevitable that the family members make value judgements about each other, particularly when there is conflict in the family over the decision making process.

In addition, it is often stressed that it is important to create a level of trust in order to let people express their opinions freely. Even though I kept telling people that the content of the interview was confidential, I am from outside the community and people might be reluctant to talk too much about issues that could harm their relationships with other family members as well as their social network. Furthermore, although I could communicate with the subjects in Vietnamese, I am a member of the majority Kinh ethnic group, and from the capital city, and this conveys the impression that I represent an authority group (eg. government, or reporter), rather than a student. Had I not made my role clear to people, the study could have been negatively impacted in the sense that people would be more reluctant to make controversial statements, or in other cases, they may exaggerate critical points in order to make ‘a good story.’ To openly clarify my role was therefore an important task.
The concept of labour migration

"Migration has been considered as part of human history since the dawn of time" \(^{14}\)

With this statement from Russell King, it is understandable that migration has become a great interest to many scholars in the social sciences, especially since the numbers of migrants throughout this world reached some 175 million in the year 2000. \(^{15}\) Throughout history, human migration has had many different shapes through eras of conquest, imperialism, colonization and capitalism. Not least, industrialisation has created an enormous flow of people, which was generalized into what Eric R.Wolf called the “three waves of migration”. \(^{16}\)

Migration can vary in terms of scale and nature. At a larger scale, migration is known as the mass movement of people who can be forced or can voluntarily migrate due to changing natural circumstances, demography, conditions of living or as a consequence of wars or disasters. One of the basic principles of migration is that people move toward places where they hope they can find better opportunities in their lives. Therefore, an important cause of migration is the increasing demand for labour in one area of the world and the relative lack or deterioration of means of livelihood in another. When it comes to labour migration, people often move to where they can find better income.

It seems to be a common view that labour migration is driven by economic concerns, probably because the difference between incomes in the origin and the destination is considered as the main motive for migration. \(^{17}\) Russell King has described this as the so-called development gap theory of migration. \(^{18}\) However, there has been an ongoing debate suggesting that labour migration is mainly politically driven. This is due to the high level of

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\(^{14}\) King, Russell “Migration in a World Historical Perspective” in. Broeck, Julien van den, (1996), The economics of Labor Migration, (ed.) University of Antwerp (RUCE), Belgium. NH; Edward Elgar, p.9


\(^{18}\) See more in King, Russell “Migration in a World Historical Perspective” in. Broeck, Julien van den, (1996), The economics of Labor Migration, (ed.) University of Antwerp (RUCE), Belgium. NH; Edward Elgar
policy making concerning the issue of labour migration, which creates a strong political framework within which the migration takes place. Also according to Russell King, for the countries that send labour abroad, the ‘safety-valve’ theory has frequent relevance. This theory concerns the attraction of the ability to ‘disgorge’ surplus population overseas as part of a longer-term economic strategy. More concretely, sending or receiving labour has become a concern of states and institutions all over the world whether to promote, or prevent, labour migration.

To understand labour migration, there has been a discussion about the focus on the ‘country of origin’ or the ‘receiving country’. Christine B.N. Chin has for instance argued that the ‘receiving country’ has been the focus because labour migration relates mostly to factors and processes in the receiving country, and that the governments in receiving countries with their “state policies and legislation, not only shape the labour demands of specific economic sectors, but also public discourse perception and treatment of ‘guest’ workers.” This also has a significant impact on the number of migrants into the countries. On the other hand, we can assume that the causes of migration are to be found in the sending countries as well, and can be both political and economic. Furthermore, nowadays, there are many countries that have become major sending and receiving countries at the same time. In other words, the labour sending countries have at the same time a large numbers of foreign workers on their soil. In Southeast Asia, Singapore, Malaysia and Thailand are cases in point.

Many studies focus on Southeast Asia’s unskilled migrants, who are classified as belonging to the largest and most vulnerable group. Migrants are not only badly paid, but they also lack access to social security. Nicola Piper for instance argues that they have often not been provided adequate protection from exploitative and abusive practices. Part of the issue is linked to the migration policies and human rights issues in both the originating as well as the

19 King, Russell “Migration in a World Historical Perspective” in Broeck, Julien van den, (1996), The economics of Labor Migration, (ed.) University of Antwerp (RUCE), Belgium. NH; Edward Elgar, p.69
21 David Bartram, 2005, International Labour Migration – Foreign Workers and Public Policy, University of Reading, UK, p.22
International migration in Southeast Asia is interesting due to the extremely fast economic development in many countries in the region over recent decades. In order to build a modern society, they need to modernize, which means both economic and political development. In the economic component, industrialisation is believed to be an effective way to boost economic growth. For that reason policies are made to encourage labour migration, as there is a common perception that importing low cost labour is an inevitable part of capitalist development. In fact, labour migration has been considered as one of the key preconditions for economic growth. Lower labour cost is one of the keys to economic growth, and therefore, the market for labour in the region has expanded dramatically. Thus, as Sidney Jones puts it: “[I]nternational labour migration has become a fact of life for Asia, and virtually every country in the region either sends workers abroad or receives foreign workers on its soil.”

Recently, discussions on labour migration has emphasised the importance of globalisation and its consequences, since globalisation has affected all facets of modern life. It is in this world of globalisation that the flows of goods, capital, and information etc, have reached the highest speed ever. Also, globalization has enhanced international population mobility. Particularly with Southeast Asia, factors like the revolution in global transport and communication have contributed to the rising international movement of workers out of, into, and between countries in the region. Moreover, nowadays, we live in an integrated world economy that provides a new context for labour migration. In this context, understanding the inter-relationship between political, economic and social changes gives the researcher a deeper understanding about labour migration in the contemporary world.

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A.B. Shamsul has developed an approach that he calls ‘the two social realities’ that can help us understand the relation between policy and the social reality: the ‘authority-defined’ social reality, “which is authoritatively defined by people who are part of the dominant power structure,”\textsuperscript{26} and the “everyday-defined” social reality, “which is experienced by the people in the course of their everyday life.”\textsuperscript{27} Shamsul claims that “the two social realities exist side by side at any given time” and that they” intricately-linked and constantly influencing and shaping each other.”\textsuperscript{28} Furthermore, the discourse in authority-defined context is textualised into ‘official policies’, while in the everyday-define context, the discourse is often disparate, fragmented and intensely personally conducted.

With the particular purpose of this study, the policy being used as a tool for poverty reduction comes from the authority and therefore shows how the authority interprets poverty as a social problem and makes a conscious effort to tackle it. While from the people’s experience and perspective, the relation between poverty and labour migration might be a lot more complex as Shamsul’s approach suggests. This study makes an attempt to use the theory of the two social realities to provide an understanding of the extent to which labour migration as an authority-defined policy of poverty alleviation can be related to the everyday-defined social reality. The poverty alleviation policy, or rather policies, of Viet Nam would demand a study of its own. As primarily a field study, this study will only highlight the everyday-defined social reality and people’s perspectives and experiences.

\textit{Vietnam – the labour sending country}

Vietnam came late to the same economic path as other countries in the region. The policy to use labour migration as a tool of poverty alleviation is part of that overall industrialization and modernization policy. However, this strategy can be seen as a conscious effort on behalf of the state which fits into the overall planning model of communist command economies. The

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\textsuperscript{26} Shamsul, AB."Debating about identity in Malaysia", Southeast Asian Studies, Vol.34. No.3, December 1996, pp 476-477
\textsuperscript{27} Ibid
\textsuperscript{28} Ibid
\end{flushleft}
Communist Party of Vietnam\textsuperscript{29} refers to “industrialization and modernization according to socialist ideology”\textsuperscript{30} and sustains a very high level of intervention in the economy. In the case of Vietnam, the government sees poverty as major social and economic problems, and the labour migration policy clearly demonstrates how a command economy approaches solutions to such social economic problems. How such policy works in reality demands a closer look at the local context, where people perceive and experience them directly.

Migration in Vietnam can be divided into two major periods: before and after \textit{doi moi} (renovation) in 1986 when the major attempt from the Vietnamese government to foster the development of a market economy in the country started.

During the first period, which was called “the central subsidy period”, or “central plan economy”, migration was totally controlled by the government in the sense that there were concrete migration programmes with explicit objectives, quantity, time, place for arrival, and other related conditions. Domestically, during the 1960s, there was such a programme, named the “New Economic Zone” to move people from the Red River Delta provinces to the northern upland.\textsuperscript{31} In the 1970s and the beginning of 1980s, similar programmes were applied for moving people from the Red River delta provinces to “new economic zones” in the Central Highlands and the Mekong Delta provinces. Ha Thi Phuong Tien and Ha Quang Ngoc commented that, “[I]n central subsidy period, the relocation of residents to New Economic Zones was seen as a unique way in society.”\textsuperscript{32} And because such programmes were planned and carried out by the government, migration in Vietnam was without doubt politically driven, but also economically motivated.

Concerning migration overseas, international labour migration is also extensively shaped and

\textsuperscript{29} The Communist Party of Vietnam takes the role as ‘leading the country’. Though Vietnam has chosen the market economy and open door policy since the renovation in 1986, it is seen as more economically than politically driven in the sense that it is a one party political system.

\textsuperscript{30} This is a slogan that one can see many places all over the country. “Cong nghiep hoa, hien dai hoa theo dinh huong xa hoi chu nghia.”

\textsuperscript{31} Ha Thi Phuong Tien and Ha Quang Ngoc, 2001, “Female Labour Migration, Rural-Urban”, Women’s Publishing House, Hanoi.

\textsuperscript{32} Ibid, p. 33
directed by the government. Labour migration from Vietnam started in the early 1980s, when many Vietnamese workers were sent to former Soviet Union and Czechoslovakia. More workers were sent later on to other former communist countries in Eastern Europe. This period of time lasted until the end of the ‘cold war’.

However, despite the high level of government control, people also migrated according to their own will. This was illegal and mostly involved overseas migration. “Vietnamese boat people” became a well-known term around the world, since hundreds of thousands of people migrated from the country during the 1970s and 1980s. The combination of the poor economic situation together with political issues after Vietnam’s reunification in 1975 was among the causes for such migration.

Since the so called ‘renovation’ policies in 1986, Vietnam has applied the policy of a market economy. With a population of eighty million people, of which more than fifty percent is under twenty five years of age, and mostly living in the rural areas, labour power is considered a major factor for development in Vietnam. In addition, with the open door policy and the lifting of the American trade embargo in 1994, there have been more opportunities for Vietnamese labourers to join regional and global labour markets.

The government of Vietnam even creates annual quotas for exporting labourers, in line with the planning model of the centralized administration. By the 1990s, labour migration overseas was turned into a policy to tackle poverty. Most recently, the “Resolution on the tasks set for the year 2003 of the National Assembly of the Socialist Republic of Vietnam” stated that “to increase the export of labour” is one of the government’s major tasks and solutions. In this

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33 IMO, “Labour Migration in Asia – Trends, challenges and policy response in countries of origin”
context, one can argue that “[T]he tight control maintained by countries such as Vietnam may not be managed under other political systems.”\footnote{IMO, “Labour Migration in Asia – Trends, challenges and policy response in countries of origin”, p.35}

Under the umbrella of government policy, the industry of exporting labour has developed tremendously in recent years. As a result, the number of Vietnamese labour migrants has reached to several hundred thousands in about forty countries. According to a recent article in a Vietnamese government newspaper, only during the first eight months of 2006, Vietnam exported 50,114 labourers abroad, of which 16,336 are women. This means that the country has reached 66.8% of the government annual quota in only half a year, an increase of 145% over the same period the year before.\footnote{http://www.molisa.gov.vn/frmdocchitiet.asp?mbien1=01&mbien2=102&mbien3=7061}

Vietnamese labourers working abroad are expected to remit money to their families in Vietnam. This creates a better flow of foreign currency into Vietnam, which is intended to create a stronger economic development for the country. According to the recent official statistics, since 2001 there have been about 300,000 labourers sent abroad and their remittances are equivalent to 1.5 billion dollars per year.\footnote{VN-Economy, 7\textsuperscript{th} Feb 2006, http://www.molisa.gov.vn}

In short, by making this into a government policy, it is shown that the solution to get people work as migrant labour abroad is of interest for both people and the government. From the government’s perspective, labour migration creates more job opportunities, better income, which leads to long term economic gains, or more concretely, better source of financial investment for the labourers’ families. However, the remittances from labour migrants also contribute to foreign currency flows into the country. Politically, society would also be more stable and the party’s legitimacy would be strengthened by labor migration. From the people’s perspective, labour migration is an opportunity to create a better future for themselves and their families. It is necessary to keep in mind that both the government’s and people’s general attitude is that labour migration ought to be a temporary occurrence which is very common
among Southeast Asian countries.  

**Malaysia – the labour-receiving country**

During recent decades, Malaysia has been known as a significant labour importer and exporter. Malaysia is among the largest employers of foreign labour in Asia, with an alien workforce, legal and illegal, of about two million in 1999, which is approximately 20 percent of the work force. Foreign workers in Malaysia are considered fundamentally important to the country’s current economic development, and the issue is therefore intensively debated among many policy makers as well as researchers. The major argument is that without the foreign workers, the economy would stagnate. The issue is rather complex because of the acute labour shortage in the country, because there have also been flows of labour migration from Malaysia to Singapore, Japan and other countries. Besides, as conditions of living have improved in Malaysia fewer Malaysian labourers are willing to work in the so-called ‘3D’ jobs (Difficult-Dirty-Dangerous). However, the country has continuously faced problems with illegal labour migration, which make up more than half of the total number of foreign labourers in the country. Since the biggest number of illegal migrant labourers comes from the neighbouring country Indonesia, this has become such a problem that it affects bilateral relations between the two countries.

The Vietnamese labour migrants are ‘latecomers’ to the Malaysian labour market. Vietnam started to organize labourers to work in Malaysia at the end of 2002 under an official Governments’ Agreement based on demand from both sides. At the moment, there are about

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40 See more in Hugo, Graeme “International Migration in Southeast Asia since World War II” in Ananta, Aris and Nyrvidya, Arifin, 2004, *International Migration in Southeast Asia*, (eds.) Institute of Southeast Asian Studies

41 Jones, Sidney, (2000), *Making money off migrants – The Indonesian Exodus to Malaysia* Centre for Asia Pacific Social Transformation Studies, University of Wollongong


96,000 Vietnamese workers in Malaysia, working in the manufacturing sector.\textsuperscript{44} In Vietnam, more than 100 ‘companies’ export labourers to Malaysia, and they must be registered with Labour Section of the Vietnamese Embassy in Malaysia. Most of them are government companies but there are also a few private companies.\textsuperscript{45} Vietnamese migrant workers always migrate in organized groups, although they are not all unionized. As one study found out, most labour migrants in Malaysia share similar status: “very few foreign workers joined unions, mainly for two reasons: they were either ignorant about unions or found it ‘unnecessary’ to become members since they normally only had a contract for two years.”\textsuperscript{46}

It should be noted that there are also numbers of illegal Vietnamese labour migrants in Malaysia, and they share similar status as other illegal immigrants: constantly under threat of being harassed and arrested, since they “have no legal protection under the labour laws and have no legal recourse in cases of abuse.”\textsuperscript{47} In other words, they are completely without protection. This issue remains beyond the scope of my study.

\textit{Thu Cuc, a northern upland commune of Vietnam}

In Vietnam, the commune is the lowest administration level of the government structure. Thu Cuc is a poor commune located about 100 kilometres away from Hanoi, on the junction between the three provinces in Northern Vietnam: Phu Tho, Son La and Yen Bai. This commune covers about 10,030 hectare of land, in which about 8,000 hectare is forest and 480 ha of land for agriculture. This is a home for about 9000 inhabitants who belong to four ethnic groups: Kinh, Muong, Dao and Hmong. The ethnic majority is Muong, who are the indigenous inhabitants in the area. In common with many other poor communes in the northern mountains, people here are dependent on agricultural production and mainly practice wet rice cultivation. Smaller communities at higher altitudes with small areas for wet rice fields are dependent on dry rice and other cash crops grown in swidden fields. Due to the

\begin{itemize}
  \item \textsuperscript{44} Interview at Labour Department, Vietnamese Embassy in Malaysia, 26\textsuperscript{th} September 2006
  \item \textsuperscript{45} Ibid
  \item \textsuperscript{47} Country Reports on Human Rights Practices - 2003
    Released by the Bureau of Democracy, Human Rights, and Labour, February 25, 2004
    \url{http://www.state.gov/g/drl/rls/hrrpt/2003/27778.htm}
shortage of wet rice land and the lack of alternative incomes, most people here suffer food shortages for periods of from one to several months every year. Recently, the market economy started to have some influence on the commune’s development in the sense that there have been more market activities at the commune centre along the main road. Within the last two years, electricity and telecommunications have been provided to these communities. However, the more remote villages stay almost the same in terms of economic development.

**The motivations: why Malaysia?**

For people in Thu Cuc commune, ‘exporting labour’ is quite of a new concept. Just several years ago, few people had any personal contact with overseas migrant labourers. It has not been until the last three or four years that it has becomes a general movement in the communities. This makes the area a ‘latecomer’ in terms of migration compared to many other areas of Vietnam as well as in the region. It is therefore interesting to be able to observe the process of labour migration from the start.

Many people came to know about labour migration through official information channels that are long known to them. This means that information is filtered to people from outside through the Commune People’s Committee, the closest authority body, to village leaders, and after that to the villagers. The most common way villagers receive information is in village meetings, headed by the village leader. The factor that plays an important role here is that people here trust the information sent through formal channels because the general way of thinking is still that government polices are to be trusted and followed. A respondent described his attitude towards such information:

“They inform us that working abroad is a policy to help the poor people to reduce poverty, which sounds so good to us. We are poor and for a long time in my life, I have tossed about how to get out of poverty. Therefore, when I heard about this, I thought I had finally solved it.”

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48 Interview with Mr Minh, Que village, 20th Oct. 2006
In Vietnam, together with economic development, and the increased foreign direct investment in the country, there is also an increasing demand for labour. However, since Vietnam has a great labour force, the labour market is competitive. Certain criteria are set for the employment, particularly in terms of level of education. It is common that the employers set high school education as one of the requirements, which poor people find difficult to meet. “[S]tatistics on the educational level of the poor show that about 90 percent have reached lower secondary level or below.”

Even though employment in a factory in Vietnam is long-term security, the salary is often low compared to working overseas. In the Malaysian labour market, the great advantage for Vietnamese workers is that a person with secondary schooling is qualified for employment. This condition fits most circumstances of ethnic minority people in a poor mountainous commune like Thu Cuc.

Both economic and political factors make upland people choose labour migration. Economically, working abroad for a short time with the potential to earn a large amount of money attracts many people. The usual offer is to work with a three-year-contract; a labourer can earn a minimum of 60 million Viet Nam Dong (VND), equivalent to US$3750, which is a lot of money compared with the average income of less than US$200 per year if they stay in Thu Cuc. In addition, comparing the reality in this commune, where the majority still suffer food deficits, where the chance for earning an income is very limited, and where people are very dependent on agriculture, the amount of money that they may bring home after working in Malaysia is extremely tempting. In general, migrant workers expressed great hope for being able to earn money from Malaysia to bring home to invest in their farm, or to use money as capital for other investments such as starting a small business in the commune centre.

Politically, this is in line with the government’s strong attempts to tackle poverty in recent years. Therefore, government officials from commune, district and higher levels have encouraged people to send their children or family members to work overseas. This gives people the good impression that it is organized and safe. In principle, the authority-defined and the everyday-defined social realities might match with each other, which would mean that labour migration should really reduce poverty in the commune.

49 The Comprehensive Poverty Reduction and Growth Strategy (CPRGS), Hanoi, May 2002, p.22
50 Note that in the work contract, a migrant worker from Thu Cuc should earn 18 RM/hour equivalent to 72,000 VND/hour
It should be noted that labour migration does not necessarily have to be economically or politically driven. This study finds that in fact, there are people, particularly the young people, who choose to work abroad because they see it as a great opportunity to see life outside their farm and their village. This is also a chance for them to experience life on their own. A young female respondent expressed this clearly:

“I really wanted to go to Malaysia, even though my parents did not want to let me go. I would like to go out, learn new things, and experience a different life than the one I have had at home. If I stayed home, I would see same things that I have always known.”

This is more the case for the better-off young people than for the poor. Better-off people often have a better chance to manage the risk if they do not succeed, while the poor know that there is no way they can manage if they do not succeed in making money to bring home. The young people from Thu Cuc who have become migrant labour in Malaysia see the move as the first step to a ‘life change’, which in return would help them ‘changing life’, or in other words: ‘turning a new page in life’. This means that they would hope to leave the farm in the near future when they come back. In that sense, labour migration can be explained in term of individual’s desire to improve their social status.

**Migrant labourers from Thu Cuc, who are they?**

One simple answer can be that they are among those ninety million migrant labourers in the world\(^52\) who hope for finding a better life by migrating overseas to work. Most of those who join labour migration to Malaysia from Thu Cuc are young people in the ages from 18 to 30. In the commune, young people usually have difficulty earning a living on their own. Although Thu Cuc is located in the junction between Phu Tho, Yen Bai and Son La provinces, which should create good opportunities for local economic activities, there have been few job

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\(^{51}\) Group meeting in Johor, Malaysia 24\(^{th}\) Sep 2006

\(^{52}\) It is estimated that by the year 2000, there are 175 million migrants, three percent of the world population, of which ninety million are migrant labourers. See more in Martin, Philip., Abella, Manolo. And Kuptsch, Christiane., (2006) *Managing Labor Migration in the Twenty-first Century*, Yale University Press. New Haven and London.
opportunities there and in neighbouring communes. Most commonly, young people do farm work for their family, and therefore without jobs outside the community, their future is to be farmers like their parents. In addition, since there is generally no separate economic budget for each person in the family, parents are often in control of the youngster’s economy. The respondents in Malaysia described that when they were home in Thu Cuc, they hardly had the possibility to earn money, and therefore, the access to money flow is very limited. Often, they get money from parents to buy clothes, fix the bicycle, or pay for school, etc. Becoming a guest worker in Malaysia has therefore become a dream of economic independence for many young people in this poor commune.

However, going to Malaysia is not a choice for all young people in Thu Cuc due to the high cost in management fees charged by the company, that each migrant worker needs to pay before he/she can be chosen to work abroad. The fees also include a one way flight ticket to Malaysia and other administration costs such as passport, visa, etc, are often between 20 to 25 million VND, equivalent to around US$1250 to US$1550. This is a large amount of money for people in Thu Cuc, many of whom are living under the poverty line of less than US$200 per head per year. Therefore, all migrant workers have to borrow money. Naturally, the better-off find it easier and are more eager to take the risk of borrowing this amount of money, while the poorer would be more sceptical and, in fact, be rejected as borrowers by both official bank and private money-lender funding sources. Nevertheless, there are poor people who go all out, and managed to become migrant workers in Malaysia.

In terms of gender, one can see the pattern by looking at the difference between men and women who go to Malaysia. In number, there are more male migrant labourers from Thu Cuc than female.

First, the difference is due to the nature of work requirements. Most of the Thu Cuc migrant labourers have been employed in Malaysia in the manufacturing sector. Women are employed in garment/textile companies, while men are usually required by mechanical engineering plants. In electronic factories, there seems to be more gender balance. Interestingly, in working places where it is equally possible to get work for men and women, the employers in Malaysia tend to select women. The reason is that women are easier to

53 Group discussion, Giac village 23rd Oct 2006
'manage' (read 'control') and they do not often get into trouble such as drinking, gambling or fighting.\(^54\) However, when I look at Thu Cuc as a case, this gender factor is not reflected in the number of women or men who go working in Malaysia. To understand this we have to look closer at the supply side, i.e. the situation in Thu Cuc.

Second, there are specific cultural factors among the Muong ethnic group in Thu Cuc that have a certain influence on the status of men and women that leads to a specific power negotiation between them. In the traditional context, the women in Muong communities are often more disadvantaged compared to men in the sense that women’s main duty is to stay at home and do house works while men in general take care of outside and heavier works, which in consequence leads women to stay back in the community while the men go out. It is the nature of family division of labour that gives more priority to brothers than sisters, husbands over wives. It would be too simplistic to say that Muong ethnic group is more conservative than the Kinh society, but this gives an indication of the gender structure. Therefore, only with great strength and determination can the women break out from this local community. It is obvious that those women who are migrant workers in Malaysia have had strong will and determination from the first moment they thought of migrating. Moreover, due to that, they have also been able to overcome many obstacles along the way. From this point of view, there seems to be a tendency towards the gaining of power for the women in relation to men in the local community. The question of whether this move has really empowered women in Thu Cuc in particular and in many poor areas of Vietnam is beyond the scope of this study.

**Decision making**

When discussing labour migration in Southeast Asia, researchers tend to concentrate on the main forces that shape international migration, or influence the people in the region. Many ‘push and pull’ factors concerning labour migration migrants have been discussed and also the policies framework.\(^55\) However, it is important that the migrant labourers should be the centre of focus, whether they are actively or passively involved in the process. This is a rather a

\(^{54}\) Group meeting in Johor, Malaysia 24\(^{th}\) Sep 2006

challenging task. This chapter gives an attempt to find out who makes the decision to migrate as one of the key factor in the migrating process.

“In fact, my daughter wanted to go and work in Malaysia, so she insisted. We as parents could not keep the children home, and could not force them either.”56

Such a story is common in Thu Cuc when parents talk about their children who go to Malaysia, and it is strongly confirmed by young migrant workers themselves. This girl told about herself and a friend:

“We were the two first girls from this village to go and work in Malaysia, because we really wanted to. At first, my parents did not want me to leave. My mother was very worried that no one would take care of me when I am far away from home. But then I kept asking and asking, so in the end, I could leave.”57

Nevertheless, in general, in Thu Cuc, the issue of going to Malaysia or not is certainly not one person’s business. It is very much of a family matter. This is also found in other studies about labour migrations in Southeast Asia. e.g. “[T]he selection of the migrants at the family level remains primarily a household decision”58

First of all, it is a big amount of money that is needed in order to get started. In fact, all labour migrants from Thu Cuc to Malaysia need to borrow from both formal and informal sources of credit. According to the respondents, due to the arrangement between the recruitment agency and the Vietnam Bank for Social Policies, those who would like to sign up for work in Malaysia can access loans of 15 million VND, with an interest rate of 1.5% per year.59 However, the households have to put up their land and other property as collateral. They described to the process of borrowing money from the bank as long, difficult and tiresome. The bank staff came to the household to look at the condition of the house and evaluate it, together with the area of land they have registered in their ‘land certificate’ (a certificate of

56 Interview in Que village, 20th October 2006
57 Group meeting in Johor, Malaysia, 24th Sep 2006
58 Ghosh, Bimal. “Economic Migration and the Sending Countries” in Broeck, Julien van den, (1996), The economics of Labor Migration, (ed.) University of Antwerp (RUCE), Belgium. NH; Edward Elgar, p. 86
ownership), or the ‘red book’ as it is called. However, this loan does not cover the total cost for one migrant. The actual amount is between 20 to 25 million VND per case, between US$1250 to US$1550. Therefore, people have to borrow money from relatives, friends and informal sources. The average rate charged by informal lenders is between 3 to 5 percent per month. These are short term loans that need to be repaid quickly.

Second, the family often needs to do some ‘resource management’ in terms of labour force. A family member being absent means a lot more farm work for the rest of the family. There is a certain division of labour in a family, and they need to discuss the matter to see how they will arrange the work among themselves during the contract time. Often, the better off households have better scope to manage compared to the poorer households. Being poor, they understand very well that lack of labour will lead to shortage of food, which is a risk that is difficult to take. Everybody is aware that it is crucial that the labour migrants will be able to send money home from Malaysia, but some families are more vulnerable than others in this respect.

It should also be added that when there is no agreement amongst family members over this matter, serious conflict can occur, particularly if things turn out wrong with the migrant worker in Malaysia. This is the situation of a family in the village I visited in Thu Cuc.

"Those who let their children go to Malaysia are the better off here. For this household, we had to sell everything possible. Now my son is sent back, breaking the contract after only half a year, not a single dollar sent home. We have nothing but debt and problems. Since it was my wife and my son who decided this, now we can not agree with each other in this family any longer. We are going to divorce soon."

In other words, the consequence of migration could be very serious as in this case resulting in both debt and divorce.

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60 Interview in Que village, 20th Oct 2006
Information and the labour contract

It is rather common in Southeast Asia that people who choose to migrate are mainly from poor rural areas, and therefore share the problem that "potential migrants lack of access to reliable and updated information about conditions of entry and job opportunities in the country of destination." People from Thu Cuc do not seem to be any exception, even though they are migrating in organized groups. It appears that they suffered from a serious lack of information. Though information was filtered through the formal government structure, people ‘only got the good information’, meaning that they received purely positive aspects of going to work in Malaysia. In fact, during 2002-2003, in the mass media, articles were continuously published about many Vietnamese labour migrants breaking their contracts because of serious problems in Malaysia. People in Thu Cuc started to go to Malaysia at about that time. However, no one in Thu Cuc ever knew anything about these problems. One of the explanations is that people had very little access to information at that time; just like poor ethnic minority and upland people in many other areas in Vietnam. They lack of sources that provide information such as newspaper, radio, television, word of mouth, and internet. This shows that perhaps the problems faced by the people from the lowlands eventually come to the upland people too. There were lessons learnt, but by government departments, these were never transferred to the migrants in Thu Cuc. All problems became apparent only when they were already in Malaysia, or even when some of them had broken the contract and returned home. Afterward, the information they received were often simply rumours with very little authoritative confirmation, while in fact this should be in the authority’s responsibility.

People at first believed that the recruitment/exporting labour agencies were set up in order to bring these government policies into practice. They did not know that they are profit-making companies maybe because such new companies, or new phenomenon, were not yet known to people in the uplands. Therefore people see the organization of labour migration to Malaysia as to be trusted. It appears that they get very disappointed in the end, like an interview expressed:

61 Ghosh, Bimal. “Economic Migration and the Sending Countries” in Broeck, Julien van den, (1996), The economics of Labor Migration, (ed.) University of Antwerp (RUCE), Belgium. NH; Edward Elgar
62 Interview in Giac village, 22 Oct 2006
“The recruitment agency is the one to blame. In meetings, they told us to follow the government policy. But they only need us to pay money, 20 million dong per case, and once our children entered the plane, they simply let our children to the hand of ‘destiny’. They are so irresponsible.”\(^{63}\)

The negotiation and signing of labour contracts is a clear evidence of the lack of information and knowledge, lack of transparency and legal support. What people in Thu Cuc know about the contract is that this is just one of many procedures that they have to handle before they can go to – or send their children to – Malaysia. They had no idea about the importance of such a piece of paper called ‘contract’. As people saw the company as a part of the government and they had trust in the latter, they did not have much of suspicion. Like a migrant worker from Thu Cuc told:

“I hardly had a chance to look at the contract, because I was informed to come and sign contract with the exporting labour company in Viet Tri in a very short notice. It was 12 o’clock at noon when I arrived. I had to rush to sign the contract. After I have signed it, I was very nervous, because I did not know what it was.”\(^{64}\)

Among other problems, it is most difficult for the migrants from Thu Cuc when they have to return home before the contract was due. They often expressed themselves as being left ‘out in the cold’\(^{65}\) and did not really know what they could do. Lacking information and knowledge, even though they had a contract in their hands, they were not able to bring their claims to any authority. Furthermore, it is often difficult to complain.

“I think that it is not going to help to claim to the recruitment company about my case anyway. It is no use. It is very bad.”\(^{66}\)

After several attempts going back and forth between Thu Cuc and Hanoi, which costs a lot of money for them, many of them simply gave up.

\(^{63}\) Interview in Que village, 20^{th} Oct 2006  
\(^{64}\) Interview in Selango Malaysia, 23^{rd} Sep 2006  
\(^{65}\) There is a saying in Vietnamese “dem con bo cho”  
\(^{66}\) Interview in Giac village, 22^{nd} Oct 2006
**Expectations and realities**

In contemporary Southeast Asia, labour migration involves largely non-permanent labour movements, among which the majority are unskilled and low paid workers. They are often described as being exploited with low status and therefore they become victimized. But the question is to what extent the migrant workers knew about the destination before they actually come to the place. For those migrants from Thu Cuc commune in Vietnam, experiencing the lack of information described in the chapter above, it is certainly not easy to understand what the reality is, until they are standing on the soil of Malaysia. At first, the dream of being able to earn a lot of money after several years working abroad attracts many people from Thu Cuc. People here often think about labour migration overseas as a short term sacrifice for long term improvement. However, most clearly, in reality, what people often dream about before they go to Malaysia is never what they have experienced by the time they come back. Many labourers described it as a great disappointment.

First of all, it is rather clear that before leaving Vietnam, none of the labour migrants from Thu Cuc knew anything about the work conditions, and they had no idea about the meaning of things like job security, health and safety standards. One of the female migrant workers described herself as being naive before she came to Malaysia:

> “When they told me that I would work in a weaving workshop here in Malaysia, I thought they had similar weavers as the traditional Muong weavers we have at home in Thu Cuc.”

There are many restrictions for the migrant workers. As a contracted worker in Malaysia, they are not allowed to keep their own passport for the sake of the employers’ benefit to make sure that the workers will not ‘run away’. There are also rules that should be strictly followed at

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67 See more in Hugo, Graeme “International Migration in Southeast Asia since World War II” in Ananta, Aris and Nyrvidya, Arifin, 2004, *International Migration in Southeast Asia*, (ed.) Institute of Southeast Asian Studies

68 Note that the traditional weaver of Muong people is a very simple tool made of wood which is a handmade product. Such tool has been used for hundreds of years.
the working place, and rules are accompanied by penalties when the migrant workers do not follow. A migrant worker from Thu Cuc said:

“[T]he manager did not care about workers, only our mistakes. Whenever we did something wrong, we got a fine. When we forgot the card, we got a fine... always fines. It was very tough. I was so disappointed about the whole thing that after a month, I thought of ‘bailing out’. However, I did not have any money to start with; and no passport either. I knew that if I ‘bailed out’, only with luck that I could return home. If one is not lucky, it would take very long time to get back home.”

It is most common that the employers hold great control over the contracted workers as described here:

“We could not do much, because the boss kept our bank card. We don’t know when he pays salary into our account. Whenever we want to send money home, we have to ask him.”

There are other risks that they could not foresee before leaving Vietnam. The fact is that once in Malaysia, the job security is low and the workers are being ‘sold’ from one company to another. A migrant worker said he never knew where he would end up, and he described the situation:

“After a short time since we came to Malaysia, we were ‘sold’ to another company. So we did not work for the same company we signed contract with in Vietnam. We had to get used to a new place, worse manager, and lower salary.”

Everybody said that their destiny totally depends on the company they are working for. Those people being employed in well-run companies generally say that they are luckier than the others, because they have more stable incomes which make it possible for them to save up money to send home. It is common that the labour migrants are working long hours or unregulated working hours, even unregulated tasks.

69 Interview in Que village, 20th Oct 2006
70 Interview in Giac village, 22nd Oct 2006
71 Interview in Selangor, Malaysia 23th Sep 2006
“When there were jobs, it was very intensive and we work with hardly any break. But when there was no work, they gave us work like cleaning the toilets. I was shocked and felt such a shame for our Vietnamese people. They forced us to clean those toilets again and again because they thought the toilets were not clean enough.”

One of the most serious difficulties that the labour migrants from Thu Cuc have is the language barrier. Before leaving for Malaysia, they attended a short English course for less than two months, which hardly allowed any of them to have a simple conversation in English. Being in a new place and not being able to communicate with people is hard, but it is even harder when they could not understand the boss, or manager when they work as well as when they have problems.

“At the beginning, I did not understand anything. When they asked me one or two simple sentences, I could understand, but otherwise, I was lost. Then we had to use body language. It was difficult.”

This has limited the migrant workers’ ability to express themselves, particularly in the cases of problem and conflict between employers and employees. In fact, this is precisely when they should be able to get help and support from the Vietnamese authorities in Malaysia, and particularly the recruitment agency that employed them and to whom the migrants have paid fees. However, most interviewees said that such support was just a myth.

Among the changes that the migrant workers from Thu Cuc have experienced is the change in life tempo in the new environment. One of the interviewees made a remarkable comment that

“We are simply not used to being workers. Before coming to Malaysia, we lived our life being farmers where we could decide for ourselves when we would work and what to do, but it is not at all the case in Malaysia.”

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72 Interview in Giac village, 22nd Oct 2006
73 Interview in Selangor, Malaysia 23rd Sep 2006
74 Interview in Que village, 21th Oct 2006
What they could never foresee before leaving Thu Cuc is the change that goes beyond their imagination, the change from environment of a calm agricultural work to the intensive industry environment in a foreign country.75

“It is so much pressure. The manager kept shouting at me, and I felt so uneasy all the time. Psychologically, it was very tough. It was very hard to get used to the company’s discipline.”76

The migrant labour from Thu Cuc never understood beforehand that they, from a farmer in a poor upland commune in Vietnam, would become a foreign worker in Malaysia. They are not aware of the implications of changing class, from farmers to workers. In Malaysia, they belong to the lowest working class with rather low status, with lots of restriction in terms of rights, since they are foreign workers. There is no such thing as labour federation/union that can protect the migrant labourers’ rights, particularly when there are conflicts between the employers and the workers. This is among the most common debates nowadays in the human rights forum concerning labour migration in Malaysia.77

“After I came to Malaysia and worked for five months, the boss started to pay salary late, and cut off water, so we went on strike twice. But it did not bring much of a change anyway.”78

The migrant workers’ mobility is rather limited not only because of the withholding of passports by employers, but also because the security is very low in the areas where they are living. Most of the male workers I met in Malaysia told that they often hear or even experience being robbed, by other migrant labours from Indonesia.

“Once, we were four workers sleeping at home in this apartment after a night shift. Then suddenly, we were woken up by several tough men, who broke into the

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75 Interview in Que village, 21th Oct 2006
76 Interview in Que village, 20th Oct 2006
78 Interview in Que village, 20th Oct 2006
apartment. We were totally shocked and scared. They had knives and other weapons on their hands, hit one of us very badly in the stomach, took all our money, and left.”79

Those workers do not dare to go out alone, or in the dark. Even though there are police in the area, there is not much of a help from them, because “[P]olice here are to be afraid of; not to protect us”80

Among other risks, the risk everybody most worries about is that they could lose their jobs at any time, which would mean that they had to go back to Vietnam with empty hands and lots of debts to pay. Those workers I interviewed explained that they were not entitled to sick pay, and that they could not afford to get sick. There is no such thing as health insurance for the migrant workers.

After all, it leads to the situation where people’s common expression is that “we are tired, fed up and longing to go home”81

Remittances and related issues

Many studies about labour migration have focused on remittances. Writing about Indian migration of workers to the Arab world, P.R.Gopinathan Nair stated that “[T]he final outcome of migration depends to a large extent on the way in which remittance incomes are used”82. In addition, by looking closely at remittances, it is possible to see impacts of labour migration on households and the community where the migrants come from.83 This is also a great concern for people from Thu Cuc.

79  Group discussion, Selangor 23rd Sept 2006
80  Ibid
81  Group meeting in Johor, Malaysia, 24th Sep 2006
From the sending end, what the Vietnamese migrant workers in Malaysia often do is to borrow money from other Vietnamese workers in order to send home. Among the people I interviewed, there were some who could even gather the amount of up to USD$1000 at once. This way of sending money is very common among Vietnamese workers, though such private loans are complicated and risky, as it depends totally on personal relationships. One of the workers said that

“When I had been in Malaysia for a month, I borrowed money and gathered 10 million dong to send home (equivalent to 625 USD). And in the end, that was the only amount of money I could send home after all.”

The truth is that the labour migrants in Malaysia do not often inform their families at home about their real situation. They said that they did not want their families to worry. People at home in Vietnam do not know that their children in Malaysia borrow money to send home, and therefore often think that it seems easy for them to earn good money in Malaysia. This leads to many other families to urge more labourers to go from home to work abroad.

From the receiving end, in the successful cases where remittances have been sent home, they are often taken care of by the family. And since most labour migrants from Thu Cuc are young, it is their parents who take care of the remittances. In terms of how the remittances are used, the first priority is often to pay off the informal loans, because this debt incurs the highest interest rate. After paying all the debts, the family makes use of the remittances for the common household items, as rebuilding houses, or on production investments. The labour migrants can decide for themselves if they want to prioritize their family, or their own individual needs. This turns out to be an important issue for most young people I met. It is often stated that girls manage much better than boys, because they are better in saving money, and because of that, they often send money back home more regularly.

Since many of the labour migrants from Thu Cuc are so young, being in Malaysia is a first-time experience of life for them. The great change is from having to ask for money from parents at home in Thu Cuc. The young migrant workers all of a sudden experience

84 Interview in Giac village, 22 Oct 2006
85 Group discussion in Giac village, 23rd Oct, 2006
something very new in Malaysia: they receive a salary every month. This means that they suddenly have money, and it is certainly very exciting to get to know how money can be used for one’s individual needs. One of the interviewees honestly said:

“Since we know that we can spend money on many things, we have not been able to save up much to send back home any longer. For example, mobile phone is something that costs us a lot. But we young people need to stay in touch, and once we talk, it takes time until we stop.”

From the perspective of a young person, they have the choice to enjoy life as much as one can in Malaysia such as buying mobile phone, nice clothes, nice hair cut, etc, or to save up as much money as possible to send home.

Many young people want to earn some money and save up for non-farm work business in the future. However, in reality, there are many factors that influence the possibility to create this future. One of the factors is that the Vietnamese currency, the Dong, looses its value quickly, and the price of land increases extremely quickly. In this context, the possibility of making their dream come true seems rather slight, particularly when they do not have much knowledge about how to invest remittances, other than buying cattle with the hope that it would be healthy for future benefit.

**Conclusion**

In this study, I have used the approach of “two social realities” as a tool of analysis in order to examine the extent to which the Vietnamese government policy on labour export has contributed to poverty reduction by looking closely at an upland commune where people have recently migrated for working overseas as unskilled workers. The single most important contribution of this study is that there is a definite gap between the authority-defined, and the everyday-defined social reality. The government policy makers, in their authority-defined reality, actually do not understand people’s everyday-defined reality.

86 Group meeting in Johor Malaysia, 24th Sept 2006
First of all, this study suggests that labour migration is not only economically or politically driven. Personal aspirations also play an important part. Young people, who are the majority of migrants from Thu Cuc, rather have a desire to escape from the constraints of village life and experience life outside their local community. There is in other words a difference in the motives for labour migration as it is understood in the authority-defined reality and the way in which it is understood in the everyday-defined one. Since issue is rarely taken into consideration in neither research/studies nor policy; it constitutes an excellent subject for further study.

Second, one of the economic consequences is that few people have managed to earn money from migrating as overseas contracted workers, while the rest get poorer bearing all the debts, because they can not earn enough money from Malaysia to cover the credit costs. Most commonly, the poorer people are more vulnerable because they lack of the financial base, so migration has brought them into a life of debt and sometimes even taken their land and houses. A factor that exacerbates this problem is the lack of information about risks and rights. Upland people know very little about the situation and risks in the receiving-country, in this case Malaysia.

In general, the social security is lower and the risks for migrant workers are in fact higher than they imagine. In the case of Vietnamese labour migration to Malaysia, there is a high risk to fail due to the unstable job market; the lack of information, lack of transparency, as well as the lack of a proper legal structure to protect the migrant labourers are considered as the major causes that bring about such consequences. This study, by looking at the process of migration described by people in the community, concludes that the policy of encouraging poor people to go overseas as contracted workers cannot be seen as a good tool for poverty reduction in the given circumstances in Vietnam. It might lead to poverty alleviation for some migrants and their families, but generally there is a high risk of very little economic benefit paired with bad working conditions and security. For a few better-off households this can be handled, but for the poor households labour migration as a means of poverty alleviation leads to indebtedness and deeper poverty.
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