

► TRIANGLE in ASEAN Quarterly Briefing Note Lao PDR



October – December 2023

Key developments

Economic growth in Lao PDR has recovered in 2023, with GDP growth forecast at 3.7%, up from 2.7% in 2022, [according to a report by the World Bank](#) in November 2023. The inflation rate in Lao PDR, however, remained very high and declined only slightly from 25.7 per cent in September to 24.4 per cent in December ([Bank of Lao PDR](#)). Real household incomes have decreased due to rising living costs. In a [World Bank survey](#) in June 2023, households said they were coping by producing or foraging more food, reducing how much they eat, and migrating to Thailand in search of better-paid jobs.

During this quarter, Thailand's Ministry of Labour issued two announcements granting special permissions to Lao migrant workers. The first announcement in mid-November, which took effect retrospectively from 1 October, gives migrant workers from Lao PDR, whose employers had undertaken the first step to put their names on a registration list, the right to continue to live and work until 30 September 2024. The second announcement, effective as of 14 November 2023, concerns migrant workers who entered under the Memorandum of Understanding, and whose work permits were expiring on 31 December 2023, the right to continue to work in Thailand until 30 April 2024, with the possibility to extend their stay in Thailand until April 2025.

According to the Ministry of Labour and Social Welfare (MOLSW), **86,985 migrant workers (W: 47,547; M: 39,438) left Lao PDR to work in Thailand under the Memorandum of Understanding** between Lao PDR and Thailand between January and October 2023. This is a major increase compared to 2022. In 2022 post-COVID, labour migration was allowed to resume in March, and from March to December 2022, 51,501 migrant workers (W: 29,319; M: 22,182) left to work in Thailand. In addition, from January to October 2023, 501 migrant workers (W: 215; M: 218) left for work in Japan under the Memorandum of Understanding (MoU) for that migration corridor.

In October, MOLSW and the Bank of the Lao PDR signed a **MoU to facilitate remittances through formal channels from Lao workers abroad**. Lao workers abroad face difficulties in opening local bank accounts and remitting their money to Lao PDR. Therefore, many rely on informal channels, as [recent ILO research](#) on the Thailand-Lao migration channel has shown. The announcement of the MoU followed [formal agreements](#), for example, between the Republic of Korea's GLN International, a global payment network company, and the Lao Banque Pour Le Commerce Exterieur Lao. The MoU between MOLSW and the Bank of Lao PDR also [aims to "monitor and regulate the transfer of funds and introduce appropriate management policies if necessary"](#).

From 1 January 2024, Lao PDR will be the ASEAN Chair under the theme **"Enhancing Connectivity and Resilience"**. Preparations for the chairmanship are almost complete, [according to](#) the Deputy Prime Minister and Minister of Foreign Affairs, Mr Saleumxay Kommasith.

Main programme activities

On 7-8 September and 6 October, TRIANGLE supported ILO-MOLSW workshops to finalize a **glossary with inclusive terminology in Lao language**, which serves as a guide for professionals who conduct training or write about women's labour migration and violence against women. The glossary was developed under the lead of the Safe and Fair programme following the ILO's 2019 report [*Public Attitudes towards migrant workers in Japan, Malaysia, Singapore and Thailand*](#). It complements TRIANGLE's efforts to advocate for a more inclusive terminology.

On 22 September, the [Lao PDR National Tripartite Preparatory Workshop for the 16th ASEAN Forum on Migrant Labour \(AFML\)](#) was conducted in Vientiane with 43 participants (W:19; M:24). Participants took stock of the implementation of the 2022 15th AFML recommendations and discussed and drafted 18 Lao PDR national recommendations to be taken forward at the 16th AFML.

On 27 September, the MRC in Xayabouly province, together with the provincial Department of Labour and Social Welfare and a recruitment agency, organized a **one-day pre-departure training for migrant workers who are scheduled to depart for seasonal work in the Republic of Korea**. In total, 26 participants (W:15; M:11) joined.

From 7-9 November, TRIANGLE supported **migration information outreach activities of the Luang Prabang MRC** at the Thongchalearn and Namaung village clusters in Narn district in Luang Prabang province. Most of the 286 participants (W:169; M:117) at these village clusters received information on migration for the first time, as there is a lack of access to information on available migration options due to the remoteness of these villages. In one village cluster, the outreach was organized at night as villagers are engaged in agriculture during daytime. The participants were mostly interested in migrating to Thailand. They had specific questions, such as how to avoid being trafficked, and whether changing employers in Thailand would be possible.

On 10 November, TRIANGLE **co-facilitated a provincial labour migration network meeting in Luang Prabang**. The network meeting brought together stakeholders from the Government, the Lao Federation of Trade Union (LFTU), the MRC staff, a representative from a recruitment agency, and other provincial stakeholders working on labour migration in the province to exchange on recent issues. It was attended by 21 stakeholders (W:7; M:14). This network was established in 2019, and the first annual meeting was supported by TRIANGLE in 2022. The participants exchanged about recent migration trends in Luang Prabang province and learned about the pivotal role the MRC plays in providing information, counselling and access to justice. Stakeholders suggested to continue regular meetings to coordinate on labour migration issues in Luang Prabang.



Visit to the Luang Prabang Migrant Worker Resource Centre on 17 November 2023.

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On 17 November, Global Affairs Canada and TRIANGLE visited the MRC in Luang Prabang. In addition to the MRC staff, three migrant workers who had returned from Thailand joined and shared information about their migration journeys. Two of the workers reported having immediate plans to return to Thailand, citing lack of local employment opportunities as the main reason. The MRC in Luang Prabang, implemented by the LFTU, has provided services to migrant workers since 2018. An important part of the work of the MRC is outreach to remote villages in Luang Prabang province.

On 24 November, TRIANGLE organized a **training on social protection for migrant workers in Thailand**. The training targeted staff from the three TRIANGLE-supported MRCs and representatives from 48 recruitment agencies that send migrant workers from Lao PDR to Thailand. TRIANGLE presented information on Thai laws and regulations on recruitment, social security, assistance with grievances, and barriers some migrant workers face in accessing assistance. Participants agreed to increase the coordination between MRCs and recruitment agencies in the future. The training was attended by 63 persons (W:19; M:44).



Training on social protection for migrant workers in Thailand on 24 November 2023.

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► Upcoming activities and key dates (January – March 2024)

Date	Event	Location	Attendees	Purpose
18 January	International Migrants’ Day Celebration	Vientiane Capital	Migrant workers, Ministry of Labour and Social Welfare, other Ministries, Lao Federation of Trade Unions, Lao National Chamber of Commerce and Industry, CSOs, teachers and students of the Lao-German Technical College	The event and panel discussions will raise awareness and celebrate the contributions Lao migrants make to Lao PDR.
23 January	Consultations on the regulation of the Lao Employment Services Association (LESA)	Vientiane Capital	Ministry of Labour and Social Welfare, Lao National Chamber of Commerce and Industry, Employment Service Enterprises	To finalize the regulation and elect the board members of the Association.
February/ March (TBC)	Launch of the regulation of the Lao Employment Services Association (LESA)	Vientiane Capital	Ministry of Labour and Social Welfare, Lao National Chamber of Commerce and Industry, Employment Service Enterprises	To formally launch the regulation of the Lao Employment Services Association (LESA).

► Media Coverage

Date	Title	Media Source
6 October	Lao association calls for efforts to boost garment sector	Viet Nam plus
8 October	‘I feel hopeless’: Living in Laos on the brink	BBC
28 October	Migration throws Laos’ communist government a lifeline	Radio Free Asia
30 October	Laos to facilitate transfer of remittances by workers overseas	Xinhua
6 November	Lower visa fees for migrant workers from Nov 11	Bangkok Post
15 November	Migrants get more time to renew visas	Bangkok Post
28 November	GLN joins BCEL to offer Remittance Service for Laotian residents in Korea	IBS Intelligence
30 November	Lao Economic Monitor, November 2023	The World Bank
4 December	Asean secretariat chief pledges support for Laos’ Asean chair in 2024	The Star

Lao PDR at a glance

Population: 7.7 million

Labour Force : 3.6 million

Source : ILOSTAT, 2023

Migrant workers in Thailand

150,522 MoU migrant workers
(Women = 84,861/ Men =65,661)

75,762 migrant workers under the Thai Cabinet Resolution on 7 February 2023 (amnesty programme)
(Women = 43,901/ Men = 31,861)

Source: Department of Employment, Ministry of Labour, Thailand (October 2023). The 7 February 2023 Cabinet Resolution extends the deadline for migrant workers who have obtained a work permit which expired on 13 February 2023 and have not completed visa renewal. Migrants registered under the latest 8 August 2023 Cabinet Resolution are reflected in these figures.

TRIANGLE in ASEAN delivers assistance directly to migrant workers and their communities through three Migrant Worker Resource Centres (MRCs) in Lao PDR. They are managed in partnership with government institutions and trade unions and are based in Champasack and Xayabouly (both with the Provincial Department of Labour and Social Welfare), and in Luang Prabang (with the Lao Federation of Trade Unions).

Since the start of the programme up until end 2022, TRIANGLE in ASEAN reached 5,837 migrant workers (40 per cent women) through Lao PDR MRCs.

Background information

While economic growth and foreign investment in the Lao People's Democratic Republic (Lao PDR) has been increasing, poverty reduction has been slow compared with other ASEAN Member States ([Lao Statistics Bureau and World Bank, 2020](#)). Gross Domestic Product (GDP) growth has averaged seven per cent over the past decade, largely based on exploitation of natural resources (water, minerals, and forests) rather than a diversified economy or transition away from agricultural and subsistence livelihoods. As a result, growth has not translated into employment ([World Bank, 2022](#)). Consequently, labour migration remains an important livelihood source for the Lao workforce, including for large numbers of Lao women. It is estimated that 1.3 million Lao nationals are living abroad, 56 per cent of whom are women ([UNDESA, 2020](#)).

Migration patterns in Lao PDR are complex, including inbound and outbound flows of migrant workers. Thailand is the largest destination for Lao migrants, driven by its nearby location and wage differentials. The monthly minimum wage in Lao PDR since 1 October 2023 is Lao Kip (LAK) 1,600,000 (about US\$77), and the Thai minimum wage is triple this amount. This wage differential has been further exacerbated by the devaluation of the LAK since late 2021. Migrant workers in Thailand are predominantly employed in domestic work, construction, manufacturing, agriculture and entertainment, mainly in neighbouring border provinces or larger cities. Financial remittances from migrant workers are a significant source of income in Lao PDR. An estimated US\$ 198 million in remittances was received in 2022, down from US\$ 221 in 2021 ([World Bank, 2023](#)).

Despite recent positive legislative developments, the legislative framework governing labour migration from Lao PDR has several gaps, including clarity on who has the responsibility to bear recruitment fees and related costs. Agreement No. 1050 (previously Ministerial Agreement No. 043) on the Management of Employment Service Enterprises, promulgated in 2022, outlines that no fees shall be collected from workers and lists some costs which should be borne by the employment service enterprises (recruitment agencies). However, in practice, this new legislation is not yet stringently implemented, according to the ILO report [Precarious pathways: Migration patterns and service needs of Lao migrant workers](#) (2023).

Though a large number of Lao women abroad are in the domestic work sector, this migration occurs only outside

formal mechanisms. While migration for domestic work was previously a legal grey area, changes from the adoption of the Decree on Placement of Lao Workers to Work Abroad (Decree 245) in May 2020 clarified that domestic work is an allowed sector for regular migration. However, regular recruitment for this sector has not yet commenced. Adoption of Decree 245 is a positive step, though several areas within the Decree would benefit from the development of subordinate legislation or policies to guide rights-based implementation.

The 2016 Memorandum of Understanding between Thailand and Lao PDR broadens a previous agreement on labour migration to include social security and skills development cooperation. Only a few Lao migrant workers migrate under the MoU because of the high fees, slow processes and complex administration involved ([ILO, 2023](#)). Specific costs for migration are not included in Decree 245, which remains a vital area for development to ensure migrant workers can predict the costs of regular migration and make informed decisions. Besides the Memorandum of Understanding, Lao workers who have entered Thailand without documents or lost their documentation status have been allowed through various “amnesties” to acquire regular status. A Thai cabinet resolution from 8 August 2023 offered another opportunity for migrant workers to regularize their status.

As of 19 July 2023, 48 Overseas Employment Service Enterprises in Lao PDR have obtained permission from MOLSW to send Lao migrant workers abroad. Decree 245 and subordinate legal instruments, such as Ministerial Agreement No. 1050, outline requirements relating to the licensing of these agencies. However, these legal instruments offer limited clarity on recruitment agencies' inspection and sanctioning regimes. Lao PDR is expected to adopt the “Regulation of Lao Employment Service Agency Association”, an industry association of recruitment agencies, within 2024.

Key partners	▶ Ministry of Labour and Social Welfare (MOLSW)
	▶ Lao Federation of Trade Unions (LFTU)
	▶ Lao National Chamber of Commerce and Industry (LNCCI)
Target sites	▶ Vientiane Capital, Champasack, Luang Prabang, and Xayabouly provinces
Focal point	▶ Vongtavanh Sayavong, National Programme Coordinator, sayavong@ilo.org

TRIANGLE in ASEAN extends the cooperation between the **International Labour Organization (ILO)**, the **Australian Government Department of Foreign Affairs and Trade** and **Global Affairs Canada** on protecting migrant workers and enhancing development opportunities. **TRIANGLE in ASEAN** aims to ensure that the benefits of labour migration are equally realized by men and women migrant workers, employers and governments. In shifting emphasis towards leveraging the development potential of migration, **TRIANGLE in ASEAN** aims to shape labour migration opportunities to support inclusive and sustainable growth in the ASEAN Economic Community. **TRIANGLE in ASEAN** engages institutionally with **ASEAN** and focuses on delivering in six countries (**Cambodia, Lao PDR, Malaysia, Myanmar, Thailand, and Viet Nam**).



Contact information

Ms Anna Engblom, Chief Technical Advisor,
ILO Regional Office for Asia and the Pacific,
United Nations Building, Rajdamnern Nok
Ave., Bangkok 10200, Thailand

T: +66 2288 2245
E: engblom@ilo.org
W: ilo.org/triangleinasean
Twitter: twitter.com/annaengblom

ilo.org/asia
 twitter.com/iloasiapacific
 [flickr.com/iloasiapacific](https://www.flickr.com/photos/iloasiapacific/)
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