

TRIANGLE in ASEAN Quarterly Briefing Note



Lao PDR (July – September 2021)

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, Champasack, Luang Prabang, and Xayabouly provinces

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Background information

While economic growth and especially foreign direct investment in the Lao People's Democratic Republic (Lao PDR) has been increasing, poverty reduction has been slower than in the other ASEAN Member States. GDP growth has averaged seven per cent over the past decade, largely based on the exploitation of natural resources (water, minerals, and forests) rather than a more diversified economy or a transition out of agricultural and subsistence employment. Consequently, labour migration remains an important livelihood option for the Lao workforce, including increasing numbers of Lao women. It is estimated that 1.3 million Lao nationals are living abroad, of whom 56 per cent are women (UNDESA, 2020).



Patterns of migration in Lao PDR are complex, including both inbound and outbound flows of migrant workers. Thailand is the largest destination country for Lao migrants, primarily driven by wage differentials – the current monthly minimum wage in Lao is LAK1,100,000 (around US\$115), and the Thai minimum is more than double this amount. Lao migrant workers in Thailand are predominantly employed in domestic work, construction, manufacturing, agriculture, and entertainment work, mainly in neighbouring border provinces and larger cities. Financial remittances from migrant workers are a significant source of income within Lao PDR. An estimated US\$271 million in remittances was received in 2020 (World Bank, 2020).

The legislative framework governing labour migration from Lao PDR displays several gaps, despite recent legislative developments. However, a major sector of employment in Thailand, the migration of Lao women abroad for domestic work occurs outside of formal channels. Legal changes that resulted from the adoption of Decree on Placement of Lao Workers to Work Abroad (Decree 245) in May 2020 have clarified that domestic work is a potential sector for regular migration, but regular recruitment has not yet commenced. The Decree 245 adoption is a positive step, though several areas within the Decree would benefit from the development of subordinate legislation or policies that could guide rights-based implementation.

The latest Memorandum of Understanding between Thailand and Lao PDR was signed in 2016, broadening a previous agreement on labour migration to include cooperation on social security and skills development. Only a small number of Lao migrant workers migrate under the MOU because of the high fees, slow process, and administrative complexity involved. Specific costs for migration are not included in the new Decree 245, which is

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Lao PDR at a glance

 Population:	7.3 million
 Labour Force:	3.8 million

Source: UN Population Division, World Population Prospects: 2019 Revision; ILOSTAT 2019

Migrant workers in Thailand

127,039 MOU migrant workers
(Women=70,918/ Men=56,121)

36,892 migrant workers under the 2019 Cabinet Resolution¹, including migrants completing nationality verification
(Women=21,553/ Men=15,339)

12,874 migrant workers under the 4 August 2020 Cabinet Resolutions (includes border employment)²
(Women=7,125/ Men=5,749)

41,935 migrant workers under the December 2020 Cabinet Resolution (amnesty program)²
(Women=24,177/ Men=17,758)

Source: Department of Employment, Ministry of Labour, Thailand (August 2021)

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

Since the start of the programme up until the end of 2020, **TRIANGLE in ASEAN reached 5,022 migrant workers** (39% women) through the Lao MRCs.

¹ The August 2019 Cabinet resolution allows migrant workers to renew a work permit without leaving Thailand. This includes those who have completed nationality verification and held temporary passports, travel documents, or certificate of identity.

² These resolutions (CR), in response to COVID-19, facilitate migrant workers to stay and work in Thailand legally. The 4 August 2020 CR granted extension to four groups of migrant workers, whose work permit expired, including MoU workers with four years completed, and migrant workers with border passes whilst the December 2020 CR provides amnesty for migrant workers from Lao PDR, Cambodia, and Myanmar with irregular status, along with their children under the age of 18 to register.

a vital area for ongoing work to ensure migrant workers can accurately predict the costs of regular migration and make decisions accordingly.

There are 35 recruitment agencies in Lao PDR, with 33 permitted to send Lao migrant workers abroad. The Decree 245 makes some requirements relating to licensing of these agencies. However, it is not yet clear if all previously licensed agencies will need to requalify due to the adoption of the new Decree. Regardless, further clarity on the requirements for licenses and the inspection and sanctioning regime for recruitment agencies could be provided by subordinate legal instruments.

Since early 2020, the COVID-19 pandemic has affected the entire world, including the ASEAN region. Women and men migrant workers in the region are striving to protect their livelihoods and their health through the crisis, yet many are disproportionately affected by COVID-19 and its economic and health impacts. During this reporting period, TRIANGLE in ASEAN has continued to focus on both a legal and humanitarian response to the COVID-19 crisis.

Key developments

The COVID-19 pandemic continues to impact the delivery of TRIANGLE in ASEAN's activities in Lao PDR. About **284,180 migrant workers were recorded [having returned to Lao PDR from Thailand](#)** since the start of the pandemic, according to the Thai Immigration Bureau. Approximately 1,900 migrants return through official border crossings per day, and 8,649 migrants were in 93 quarantine facilities as of September 2021 (Source: [IOM](#)).

The return of migrants has put stress on the quarantine and treatment facilities, mostly in Southern and Central Lao PDR, as the impact of COVID on Thailand, Malaysia, and other destination countries led to the continued return of migrant workers to Lao PDR (and other countries). The Southern provinces have received the most returned migrant workers. From March 2020 to July 2021, Champasack province has received more than 19,000 returned migrant workers.

COVID-19 cases in Lao PDR remained high for Lao standards during the reporting period, with many cases traced back to migrants returning (Source: [WHO](#)). As a

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result, restrictions have been extended across many provinces, with a stay at home order in some districts of Vientiane Capital until October 2021.

All TRIANGLE in ASEAN supported MRCs reopened in July 2020 and have remained open since then, accessible by both online services and for walk-ins. TRIANGLE in ASEAN continues to support the COVID-19 emergency response of the Government of Lao PDR, prioritizing returned migrant workers in quarantine centres across the country.

Main programme activities: July – September 2021

From July to September, **TRIANGLE in ASEAN has partnered with the Ministry of Labour Social Welfare (MOLSW) to provide emergency support to returning migrant workers in quarantine facilities.** In total, 2,500 relief bags consisting of canned food, rice, and sanitary items, and 3,000 copies of migration information leaflets have been distributed under this initiative as follows:

- On 8 July, relief bags were handed over at a quarantine centre in Vientiane Capital. The handover was attended by the Deputy Director of Skills Development and Employment Department of the MOLSW. During this handover, 1,000 relief bags and 3,000 copies of migration information leaflets with information on regular migration channels and job availability were distributed.
- On 6 August, supported by TRIANGLE in ASEAN and the ILO Ship to Shore Rights South East Asia, 1,500 relief bags were handed over to the Champasack quarantine centre through the MOLSW. The Vice Minister of Labour attended the event.
- On 7 September, [at the MOLSW in Vientiane, the relief bags were handed over by the Vice Minister.](#) The 3,000 relief bags will be distributed in October 2021 and support returned migrant workers in the quarantine centres countrywide. Twenty people (W:13; M:7), including representatives from the European Union and the Australian Embassy in Lao PDR, and officials attended the event.

On 30 August, the Lao MOLSW and TRIANGLE in ASEAN hosted the [14th ASEAN Forum on Migrant Labour \(AFML\)](#) Lao PDR National Tripartite Preparatory Workshop. The workshop was chaired by the Deputy Director of the Skill Development and Employment Department, MOLSW. Despite the ongoing restrictions, the meeting was considered safe to go ahead in a hybrid way in Lao PDR and online. [Twelve recommendations](#) were adopted and carried forward to the main AFML meeting in Brunei Darussalam held on 6 and 8 September. In total, 51 people participated in the national workshop, of whom 31 (W:17; M:14) joined in Vientiane and 20 persons online.

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Upcoming activities and key dates (October – December 2021)

Date	Event	Location	Attendees	Purpose
October/ November	Third tripartite plus meeting on the revision of the Ministerial Agreement 043 on the establishment and management of recruitment agencies	Vientiane Capital	Tripartite organizations' representatives and recruitment agencies, including CSOs and NGOs	To revise the Ministerial Agreement No. 043 following the principle of social dialogue
November (TBC)	Migration Network Meeting	Vientiane Capital	Tripartite organizations' representatives and recruitment agencies, including CSOs and NGOs	To share information related to migration and to explore further collaboration related to migrant workers and domestic migrant workers
November	Countrywide dissemination of Decree 245 on sending Lao workers to work overseas	Countrywide	Department of Labour and Social Welfare provincial, MRC, ESC, Jobcentres and other relevant bodies	To disseminate Decree 245 on sending Lao workers to work overseas, to promote the protection of migrant worker rights
November	Capacity building of Lao Federation of Trade Unions (LFTU) staff and Outreach on promoting of worker's rights and migration information at the provinces	Vientiane province and Xayabouly province	Department of Labour Protection, LFTU	To promote the workers' rights and share migration information to the returned migrant workers and their families and factory workers through the LFTU local staff in the province.
December	International Migrants' Day	Vientiane Capital	PAC members from tripartite organizations as well as other CSOs and NGOs	To celebrate International Migrants' Day

Media coverage

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Date	Title	Media source
19 July	Laos extends lockdown amid surge in COVID-19 cases	Xinhuanet
25 July	Laos: Champasack, Savannakhet struggling to cope amid influx of returning migrant workers	Vientiane Times
30 July	More quarantine centers, makeshift hospitals set up in southern Laos	Xinhuanet
6 August	Laos increases state quarantine requirement to 28 days	Xinhuanet
8 September	Relief provided to 4,500 returned migrant workers in Lao PDR	ILO News

TRIANGLE in ASEAN extends the cooperation between the **International Labour Organization (ILO)**, the **Australian 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 realised 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**).