

MIGRATION, DEVELOPMENT AND EMPLOYMENT IN EAST AND SOUTHEAST ASIA: PATTERNS AND IMPLICATIONS

By Ernesto M. Pernia*

The paper first reviews some of the major studies on internal migration in East and Southeast Asian countries, highlighting its relationship to development, particularly to the role of policies in the evolution of migration patterns. The central theme that emerges is that the pattern and effects of migration in these countries have been conditioned not simply by the rate of economic growth but by the character of growth as well as by the types of policies pursued. The paper also focuses on intersectoral labor migration in the context of structural transition and employment. The character of economic growth and of policies also influences the effects of migration in terms of the rate of departure of labour migrants from agriculture, their entry into industry relative to the service sector, as well as their consequent absorption in those sectors. Finally, important implications for policy and research are outlined in the conclusion.

Introduction

A review of the development literature would suggest that migration as an issue is a relative latecomer in the field. Its entry did not become noticeable till the late 1960s and appears to have been ushered in by three development-related problems. One was the population problem which began to rear its head in the mid-60s, first as an absolute size and growth phenomenon, and subsequently seen more perceptively as a spatial distribution issue as well. A second was the employment problem which moved to the forefront of the development debate in the '70s and was recognized to be caused by, among others, the excessive growth of the labour force against capital-intensive production technologies, or the imbalance in the numbers of jobs and people in specific areas. A third was urbanization as cities experienced accelerated growth rates due to increasing rural-to-urban migration in addition to urban natural increase.

To the extent that problems of population, employment and urbanization are not about to fade but probably even intensify, migration will continue to be among the development issues scholars

*Economist, Asian Development Bank. An earlier version of this paper was presented at the Seminar on "World Structural Change and Its Impact on ASEAN's Employment and Manpower", organised by Thammasat University and the University of Sussex, Bangkok, 26 November — 3 December 1984. The present version has benefited from comments given by Amarjit S. Oberai and Richard Anker.

and governments will have to address in the '80s and beyond. In looking forward to what may be in store in the development arena during the balance of this century, it is useful to examine the past in perspective. What seems to emerge from a review of past experiences and data, beyond the already commonplace assertion of migration being related to development, is that the patterns and effects of migration in the various Southeast and East Asian countries have been conditioned not simply by the rate of economic growth but by the character of growth as well as by the types of policies pursued.

This paper first reviews some of the major studies on internal migration in East and Southeast Asian countries, highlighting its relationship to development, with special attention to the role policies play in the evolution of migration patterns. The second part focuses on intersectoral labour migration in the context of structural transition and employment. The concluding section discusses what may be some of the important implications for policy and research.

Migration and Development

Like most dynamic social processes, the nature and pattern of internal migration tend to change following a country's stages of economic development (see, e.g., Zelinsky, 1971). In the early stage the overall migration rate is generally low and voluntary population movements are largely in a rural-to-rural or frontierward orientation. During this stage there is some rural-to-urban migration but is quite limited, and cities are small and few but more evenly distributed over the economic landscape. In the next stage rural-to-urban streams begin to dominate the migration mosaic and contribute to the rapid growth of cities. But the striking phenomenon during this phase is the burgeoning primacy of the national capital in the urban hierarchy as the preponderant part of rural-to-urban migration is to the capital city. The boundaries of the national capital are expanded as the urban core spreads onto outlying areas with suburbanization, and the capital is now referred to as the metropolitan area. In the next stage the massive flows to the primate city persist. The rise in the level of national urbanization (proportion of the total population in urban areas) is fastest until around the 50 per cent level. Subsequently, flows into the primate city begin to slow down as diseconomies of agglomeration are felt by industries and the population. The secondary city or cities become buoyant as they capture some of the spillout from the primary city as well as an increasing segment of the overall rural-to-urban migration.

The above broad-brush strokes roughly apply to the aggregate experience of the East and Southeast Asian region comprising Taiwan, China, Republic of Korea, Malaysia, the Philippines, Thailand and Indonesia from the early postwar period to the present. The

scenario resembles the "phases of the mobility transition" sketched by Zelinsky although he identified five phases and included international migration in his framework.

The above paradigm of the region's internal migration experience also has interesting parallels with Oshima's (1983, 1984) framework of structural transition from agriculture to industry depicting labour absorption and release. It must be emphasized, however, that the migration paradigm is a highly synthesized picture of the East and Southeast Asian countries' experience taken together from, say, the '50s to the early '80s. It goes without saying that each country in the region has its own peculiarities as will become evident later in this paper.

If the countries in the region were to be situated across a range following the three phases of the migration transition, the current sequence would most likely be: Taiwan, China, Republic of Korea, Malaysia, Philippines, Thailand and Indonesia (see Table 1 for related data). Taiwan, and China are well into the late part of the third phase while Republic of Korea is somewhere in the middle of the phase, and Malaysia is in the early part of the same phase. The Philippines is probably somewhere in the late part of the second phase, while Thailand and Indonesia are in the middle of the phase. Again, this is a simplistic summary snapshot of where these countries may be in the mobility transition. Given the intrinsic dynamism of migration and its relationship to development, it would be impossible to pinpoint the precise locations of these countries in the transition curve; also, as in the case of other social processes, one should not think of the migration transition in terms of a smooth curve.

Taiwan, China

The case of Taiwan, China is illustrated by the fact that it already possesses a relatively mature, well-connected system of cities. As of 1980, its urbanization level was about 67 per cent — the highest in Asia after Japan's 78 per cent — and the fraction of total urban population in Taipei is down to less than a fifth (Table 1). The cities of Kaoshiung and Tainan in the southern region and Taichung in the central region have for some time been acting as effective counter-magnets to the influence of Taipei in the northern region. Beyond that, there is evidence that although the five large cities (the four just mentioned plus Keelung in the northern region) continued to receive significant in-migration during the '70s, this was offset by increasing out-migration such that net migration into these cities was drastically declining. In the meantime, intermediate cities were experiencing dramatic increases in net migration. Thus, Liu (1982) observes that migratory flow in the '60s was a net movement from

Table 1 — Background Economic and Urbanization Statistics:
Selected Southeast and East Asian Countries and Areas

	GNP per Capita (US\$)		GDP Growth Rate (Per cent annual)		Urbanization Level (Percentages)		Per Cent of Urban Population in Largest City		
	1980	1960-70	1970-80	1960	1980	2000	1960	1980	2000
Indonesia	430	3.9	7.6	14.6	20.2	32.3	20.3	23.4	22.3
Thailand	670	8.4	7.2	12.5	14.4	23.2	65.1	72.0	62.3
Philippines	690	5.1	6.3	30.3	36.2	49.0	26.9	31.8	27.8
Malaysia	1,620	6.5	7.8	25.2	29.4	41.6	18.0	26.9	28.9
Rep. of Korea	1,520	8.6	9.5	27.7	54.8	71.4	34.1	40.3	37.9
Taiwan, China*	1,400	9.2	8.0	58.4	66.6	—	17.5	18.8	—

*1978 for GNP per capita and 1960-70, 1970-78 for GDP growth rates.

Sources: World Bank, *World Development Report 1982*, Annex Tables 1 and 2 for GNP Per Capita and GDP growth rates; *World Development Report 1980*, Annex Tables 1 and 2 for Taiwan; U.N. "Estimates and Projections of Urban, Rural and City Populations, 1950-2025: The 1980 Assessment" (1982), Tables 2 and 8; Liu (1982), p. 4 and Liu (1983), p. 3 for Taiwan urban data.

rural areas to large cities, but subsequently this has changed to a net movement from rural areas and large cities to intermediate cities especially those adjacent to large cities in the northern and southern parts of the country. He adds that rural-to-urban migration was not a consequence of poverty in rural areas but a rational response to better employment opportunities in cities.

Although Taiwan, China's migration pattern and transition through time were largely shaped by socioeconomic forces as would be expected, it seems that the urbanization policy was successful in redirecting spontaneous population movements by altering the structure of market incentives (Liu, 1983). Moreover, the family planning programme launched in 1964 was instrumental in reducing appreciably the potential reservoir of urban in-migrants. But even prior to the introduction of the population programme, policies designed to effectively utilize rural surplus labour also inevitably influenced both the direction and volume of migration streams. As Liu (1983) puts it: "Land reform, crop diversification, labour-intensive farming, and the use of the fiscal mechanism to transfer capital resources to labour-intensive industries dispersed throughout areas adjacent to surplus-labour areas — all these policies helped reshape the trends and patterns of urban growth prior to the exhaustion of the rural surplus-labour pool around the late 1960s" (1983: 17).

As in the case of other developing Asian countries, Taiwan, China first attempted to pursue industrial development via import substitution. But, in comparison with other countries, it quickly discarded that strategy after its easy phase and switched to export promotion, making use of its comparative advantage in labour-intensive products. "Along with macroeconomic development policies to achieve a better allocation of labour and resources between the agricultural and industrial sectors, a number of direct and indirect policy measures were implemented to effect a better distribution of population. Heavy investment in an internal transport network, direct subsidies to local governments, the setting up of industrial parks in rural areas, and the electrification of the countryside were among important policies encouraging the decentralization of industry" (Liu, 1983: 18).

Republic of Korea

The Republic of Korea is commonly known to have come after Taiwan, China in terms not only of economic transformation and strategy pursued but also of demographic and mobility transitions. As of 1980, it was about 55 per cent urban, implying that it had

passed the inflection point of the urbanization curve.¹ However, despite such apparent urban maturity, Seoul, unlike Taipei or Tokyo, has surprisingly remained an acutely primate city with over two-fifths of total urban population. The Republic of Korea's urban primacy is second only to the extreme case of Thailand which is the highest in the Asian region, as will be seen later. There are signs, nonetheless, that the Republic of Korea has already begun the process of primacy reversal some time during the late '70s or early '80s.

The second half of the '60s appears to have been the period of most pronounced rural-to-urban migration, in terms of both volume and rate, accounting for over two-thirds of total gross out-migration (Lim, 1984). The trend slowed down appreciably in the early '70s in response to the recession but picked up again in the latter part of the '70s although at a slower rate than that of the late '60s. Kim stresses the point that the remarkable feature of such rural-to-urban migration was its centripetal character. For instance, in the first half of the '60s Seoul attracted nearly 85 per cent of all migrants to urban areas while 30 smaller cities, excluding Pusan, together absorbed only three per cent of the total. And this pattern involving bigger volume persisted through the latter part of the '60s.

In the early '70s the government responded by implementing a number of strict policy measures to curb what was perceived as excessive population concentration in the capital city. These included a residence tax, prohibition of intermediate and high school students from transferring to Seoul and Pusan, student quotas at the college level, and restriction in the establishment of new firms; at the same time, residents and firms were encouraged to move out of the capital city by means of direct subsidies, tax deductions, and other incentives.

In spite of these policies, heavy migration to Seoul as well as Pusan continued during the '70s probably due to persistent farm-to-farm income differentials. These differentials remained despite the fact that the real income of the average Korean farm household barely doubled from 1970 to 1980 (Kuznets, 1984). Another reason for such unrelenting rural-to-urban migration was the concentration of nonagricultural employment opportunities in urban places. This is a contrast to Taiwan, China where during its period of rapid economic expansion much nonagricultural employment was generated in rural areas and small cities.

¹The urbanization curve is essentially a logistic curve where in the area around the inflection point the speed of urbanization is fastest. Empirical observations indicate that this inflection point corresponds to about the 50 per cent level. For an elaboration, see Pernia (1984).

It appears that in the late '70s and early '80s an increasing portion of rural-to-urban migration has been diverted from Seoul to other regional urban centers and to satellite cities of Seoul and Pusan (Kim, 1984). Although Seoul and Pusan continue to dominate the country's urban structure in absolute terms, intermediate cities have begun to grow relatively faster. This is exemplified by the fact that Seoul's share of net in-migration diminished from 44 per cent during 1970-75 to 20 per cent in 1975-80 despite a more-than-doubling in the volume of net population transfer from rural to urban areas.

Malaysia

Malaysia exhibits a surprisingly low level of urbanization (around 30 per cent in 1980) and of urban primacy (27 per cent) relative to Republic of Korea and the Philippines although it has already gone quite a distance in terms of economic transformation. Most scholars on Malaysia seem to concur in the view that Malaysia has successfully avoided intense rural-to-urban migration (in the second phase of the mobility transition) through a deliberate public policy that emphasized rural development at an early stage (e.g., Tan and Lai, 1984). Hence, Malaysia's economic and mobility transitions resemble those of Taiwan, China more than those of Republic of Korea or of the other countries in the region.

While the spatial pattern of inter-state migration remained essentially the same from the '60s to the '70s, there was a marked increase in overall mobility rate during the latter decade (Soon, 1977; Tan and Lai, 1984). Net in-migration states were Selangor, Pahang, Trengganu and Perlis, whereas Perak, Kelantan and Malacca were the notable net out-migration states in both periods. Selangor, which contains Kuala Lumpur, has been experiencing rapid industrialization and commercialization while Pahang has been known for its extensive land development projects. Migrants to Selangor have originated mostly in the neighbouring states of Negri Sembilan and Perak, and those to Trengganu have come largely from the contiguous Kelantan state. Further, as Tan and Lai (1984) note, the majority of inter-state movements occurred in the west coast of Peninsular Malaysia because of its more advanced transportation network.

During both the '60s and '70s rural-to-rural migration was the most dominant intersectoral stream, accounting for 39 per cent in the earlier and 44 per cent in the later period. Urban-to-rural migration also gained in importance from 12 to 18 per cent at the same time that urban-to-urban mobility fell from 33 to 23 per cent. The most striking observation, though, was the relative unimportance of rural-to-urban migration which remained at about 15-16 per cent in both periods. All together, urbanward migration fell to 38 per cent in

980 from 48 per cent in 1970; by contrast, ruralward migration rose from 52 to 62 per cent.

It thus seems that the problem of massive rural-to-urban migration, which has become a gnawing preoccupation in the other countries of the region, is not present in Malaysia, at least not to the same degree. Tan and Lai argue that a good part of the explanation lies in the rural thrust of development policy since the late '60s, including the promotion of regional growth centers since the mid-70s. A central policy instrument has been the development of new land schemes, supplemented by such other measures as agricultural extension services, provision of credit and marketing schemes, drainage, irrigation and transport facilities. One indication of the success of Malaysia's land development programme is the fact that the Federal Land Development Authority's (FELDA) target of 365,587 hectares for 1971-80 was exceeded by more than two per cent.

Along with rural development has been the rapid expansion of the manufacturing sector which grew at an average annual rate of 2.5 per cent during the '70s. Similar to the practice in Taiwan, China and also in Republic of Korea, the strategy was first import substitution in the '60s and then export promotion from the mid-70s as soon as import substitution reached its limits.

In its industrial policy the Malaysian Industrial Development Authority (MIDA) also stressed regional dispersal. For instance, in the granting of "pioneer status" and other investment tax credit incentives, one of the three conditions is that a firm should be located in a "development area", (the others being that its products are "priority products" and its output meets certain domestic requirements (Lim *et al.*, 1981 as cited in Bautista, 1983). Additionally, firms with low capital-labour ratios were given fiscal incentives through the Labour Utilization Relief. Furthermore, the setting up of four free trade zones helped in industrial dispersal. One sign that the goal of industrial dispersal is being achieved is that while in 1970 roughly 47 per cent of all approved industrial firms were located in Selangor, by 1980 this share had fallen to about 36 per cent; at the same time, other states like Pahang which had only 1.7 per cent of approved projects in 1970 increased its share to 5.8 per cent in 1980 (Tan and Lai, 1984). To the extent that the Fourth Malaysia Plan (1981-85) promotes the further development of resource-based industries, continuation of comparatively balanced regional development and mobility transition into a mature phase may be expected.

Philippines

The Philippines has a higher level of urbanization (36 per cent

in 1980) and of urban primacy (32 per cent) than does Malaysia even though it is at a lower level of economic development. It seems that while Malaysia has followed Taiwan, China's mobility transition and urbanization pattern, the Philippine experience is more similar to the Korean pattern. This suggests that the link between the rise in urbanization level and especially primacy, on the one hand, and economic development, on the other, is not impregnable. Urbanization can proceed with economic development and its spatial pattern can be more balanced if appropriate dispersal policies are seriously implemented along with macroeconomic growth policies at an early enough stage. In terms of the mobility transition framework, this means that the second stage of rapid rural-to-urban migration and excessive urban primacy can be abridged by properly-timed policy, as exemplified by the experiences of Taiwan, China and Malaysia. By contrast, application and effectiveness of urbanization policy may have been delayed in the cases of the Republic of Korea and the Philippines.

In the Philippines, prior to the '60s, there were two major migration streams: from the Visayas regions and some parts of Luzon to frontier areas in Mindanao, and from Luzon regions and Eastern-Western Visayas to the National Capital Region (NCR) and Cagayan Valley (Pascual, 1966, Smith, 1977). Southern Mindanao ranked first both in terms of in-migration and net migration rates, followed closely by the NCR. Three other regions proved to be net receivers of migrants; Western Mindanao, Cagayan Valley, and Northern Mindanao. The rest exhibited negative net migration rates, with the heaviest population losses experienced by Central, Western and Eastern Visayas, and Ilocos, in that order.

The strong currents of migration to Mindanao and Cagayan Valley represented a response to rich agricultural resources in those regions, further reinforced by the government's resettlement programmes of the '50s. On the other hand, the population movements to the NCR were consonant with the nation's postwar industrializing trend in the direction of Manila. Because of the shift of economic activity away from the Visayas, Ilocos and Bicol, these traditional agricultural regions (during the colonial period) became the sources of migrants (see Pernia, Paderanga, Hermoso and Associates, 1983).

In the '60s, the NCR became the most preferred destination, with Southern Mindanao coming only second although it continued to be the top net receiver of migrants. Similarly, Northern Mindanao surpassed Western Mindanao in terms of both in- and net migration, while Cagayan Valley lost some of its attractiveness. Southern Tagalog changed status from a losing to a gaining region, mirroring, together with the NCR, the rise of the Central Industrial Region

(CIR). On the whole, therefore, population movements during the '60s signalled a definite shift from a frontierward to an urbanward orientation.

It was during the '60s when the efficacy of the country's import-substitution industrialization policy was probably at its height² (Pernia *et al.*, 1983). Given Manila's locational advantages as the administrative and financial center and as the locus of the nation's international port, its absolute and comparative advantage in manufacturing activity evolved rapidly. Manufacturing firms clustered in the NCR for ease of access to the port, to import licenses and foreign exchange, to skilled labour markets and ancillary services, as well as to the domestic market for their products which catered to urban tastes (Paderanga and Pernia, 1983). During this period, too, urban places mushroomed within the CIR. In the meantime, the deteriorating peace and order condition in Mindanao further heightened the attractiveness of the CIR.

The urban-industrial direction of migration became even more distinct in the first half of the '70s (Gonzales, 1982). Both Southern Tagalog and Central Luzon (which, together with NCR, form CIR) appreciably improved their relative rankings in terms of net migration. There was also a change in the destination preference of Visayas migrants, from Mindanao to the NCR and Southern Tagalog, resulting in some net loss to Western and Central Mindanao; likewise, Cagayan Valley started to suffer a net outflow.

Although regional development became an explicit policy starting in the late '60s, indications are that the efficacy of this policy has been quite limited (Pernia *et al.*, 1983). The lingering spatial effects of the earlier industrial and trade policies, the well-developed networks for migration, as well as the established agglomeration economies may be inhibiting the smooth operation of dispersal policies. Moreover, the instruments of the rural/regional development thrust appear to have made their initial impact primarily on Southern Tagalog and Central Luzon which have become parts of the CIR conurbation.³ For instance, the 50-kilometer radius industrial-location ban in the early '70s to decongest Metro Manila resulted in about 30 per cent of new plants locating in Southern Tagalog and Central Luzon

²Among ASEAN countries the Philippines has had the longest history of industrialization policy via import substitution, starting in 1949 when controls on imports and foreign exchange were introduced as a response to a balance-of-payments problem (Bautista 1983).

³Salient examples of such instruments for rural and regional development include the rice policy, land reform, agricultural credit schemes, pricing policies, infrastructure expenditures, social services, and the 50-kilometer radius ban.

in addition to 17 per cent given special exemptions to situate in the NCR. Thus, it is not coincidental that Southern Tagalog became a heavy in-migration area in the second half of the '70s, with about half of migrants coming from the NCR itself (Pernia and Angeles, 1984). In addition, the latest migration data suggest increasing interchange or circulation between the NCR and Southern Tagalog. All this may imply that diseconomies of agglomeration in the NCR have initiated the spillover of population and economic activity into contiguous regions, but probably not to the lagging regions of the Visayas and Bicol which are supposed to be the targets of regional development efforts.

Thailand

Thailand's urbanization pattern is probably the most unique. It is characterized by the lowest level of urbanization (about 14% in 1980) but the highest concentration of urban population in the national metropolis (72%). This suggests that rural-to-urban migration, or migration in general, has been mostly to Bangkok and that there is hardly any other city of comparable importance. In fact, Bangkok is more than forty times the size of the next largest city, Chiang Mai. Overall inter-provincial (inter-*changwat*) migration had also been rather moderate even in recent decades. For instance, during the periods 1955-60 and 1965-70, inter-provincial migration rates were only 3.6 and 6.6 per cent, respectively, with agricultural opportunities being the dominant motivating force (Ng, 1970; Cochrane, 1979). Given such a low general mobility rate, there is reason to expect that migration is yet to accelerate as industrialization proceeds and spatial disparities persist.

Arnold and Cochrane (1980) confirm the findings of earlier research in Thailand that economic factors, such as relatively high income, low unemployment and availability of farmland at destination, are highly significant predictors of migration — far more than "city lights". Male and female migrants appear to respond in the same way to income and unemployment indicators, but males seem to be more sensitive to the availability or lack of arable land, as might be expected. It is also shown that higher incomes in areas of origin facilitate out-migration, suggesting that financial capital is required for moving and, hence, that the poorest are unable to migrate.⁴ An implication of the analysis is that rural development may not necessarily slow down migration to Bangkok or other relatively developed areas. Rather, measures to rechannel further expansion of income and employment opportunities from already developed

⁴A similar result was found for the Philippines (see Gonzales, 1982 and Pernia et al., 1983).

enters to other potentially attractive areas of destination may be more effective in moderating undesirable population flows (see also Arnold and Cochrane, 1980).

More recent data on interregional migration in Thailand indicate that demographic currents to Bangkok have by no means weakened (Krongkaew and Tongudai, 1984). Between 1973 and 1978, more than half of all interregional migrants went to Bangkok, with the majority (62%) originating in the Northeast. Seasonal movement of farm workers to Bangkok also increased noticeably from about 2,000 in October 1975 to 7,332 in October 1977, with female dominance rising from 32 to 62 per cent.

Krongkaew and Tongudai argue that the excessive concentration of economic activity and population in Bangkok is the consequence of "urban-biased" development policy *a la* Lipton (1976).⁵ They note that: "Agriculture was set up to play the dual role of supplier of food for export and for other sectors, and supplier of labour for the industrial, trade and service sectors. The manufacturing sector, meanwhile, received all kinds of investment and tax incentives plus protection from foreign competition. The banking sector also received assistance and support from the government which is anxious to monetize the economy quickly and facilitate the country's industrialization" (1984: 22-23).

Modern industrialization in Thailand began only in the early 60s with the First Development Plan (1961-66). The industrial and trade policies adopted were similar to those in the Philippines, mainly import substitution using tariff protection and other investment incentives (see Bautista, 1983). These spawned capital-intensive consumer goods industries for which location in the national capital was highly advantageous; in the meantime, the rural-agricultural sector was neglected, as in the Philippines. The domestic price of rice was kept artificially low relative to the world price by the rice premium, thus benefiting urban consumers at the expense of rice growers (Krongkaew and Tongudai, 1984).

As a reaction to unbalanced urbanization and uncontrolled migration to Bangkok, the Fourth National Economic and Social Development Plan (1977-81) for the first time included programmes on population redistribution and human settlements. The aim was to indirectly guide migrants to alternative growth centres as well as

⁵Urban-biased development policy is, however, not unique to Bangkok but is believed to be quite common in many countries. Still, one is tempted to say that the bias seems particularly inordinate in the case of Bangkok, and is probably sharpened by Thailand's geography, i.e. there is no other city with a port (Pernia, 1982).

to spur out-migration from the Bangkok metropolis. Given the recency of this policy, it is not possible to discern any results. Nonetheless, considering the experiences of South Korea and the Philippines, the inertia of urban primacy will in all likelihood also remain for some time insofar as Thailand is concerned.

Indonesia

Indonesia's level of urbanization is apparently higher (20% in 1980) but its degree of urban primacy is far lower (23%) than Thailand's. Early migration patterns were characterized by pioneer movements from the dense areas of Central and East Java to rural regions of the Outer Islands. The main areas of settlement were southern Sumatra, particularly Lampung, as well as plantation areas of Sumatera Utara (McNicoll and Mamas, 1973). Out-migration from Java has not only been spontaneous but also partly induced by the government's "transmigration" programme whose origins can be traced to as far back as 1905. Although of long standing and financially massive, many doubt whether this programme has actually made more than a dent on the country's prevailing mobility pattern.

Before the mid-60s population flows to Java, principally to urban areas, were often more than offset by outflows to elsewhere — as many as three times departing from as arriving in Java (McNicoll, 1969). This phenomenon should probably be seen in the context of the country's economic stagnation and, hence, lagging urban and industrial development in the postwar period through most of the '60s before Suharto's "New Order" (see Bautista, 1983). This made Hildred Geertz observe in 1963 that "one of the more interesting characteristics of Indonesian urban development, in contrast to that in other Southeast Asian countries, is that it is not dominated by a 'primate' city which funnels all national affairs . . ." (quoted in McNicoll and Mamas, 1973:32).

Although the later 1971 Census suggested still a comparatively low overall population mobility rate, migration into Jakarta from all other provinces was now becoming the most significant stream.⁶ It accounted for 40 per cent of total net lifetime migration as well as 40 per cent of the population of Jakarta at the time of the Census (Sundrum, 1976). Roughly four out of five of these migrants were from provinces in Java and the rest came from the other provinces.

The next most important population flow was to Lampung, accounting for close to a quarter of total net lifetime migration. The

⁶This observed low mobility rate probably masks the non-permanent migration discussed below.

only other significant stream was to South Sumatera, near Lampung, and to a much lesser extent to Kalimantan. These migration streams originated in practically all provinces, particularly in Java. Lampung is a particularly attractive destination because of its suitable location combined with adequate transportation links with Java, enabling new settlers to return for periodic visits (Sigit, 1984).

It seems likely that the transmigration programme has played some role in this population resettlement. But although out-migration from Java continued to be pronounced during the '70s in absolute terms and fertility was on the downtrend, Java's share of total population fell only marginally from about 64 per cent in 1971 to 62 per cent in 1981 (Sigit, 1984). Meanwhile, the influx of population to Jakarta (and to Yogyakarta as well) accelerated despite the declaration of Jakarta as a closed area in the '70s.

Sundrum (1976:92) suggests that:

"One method of relieving this population pressure (in Java) is to locate 'footloose' manufacturing development in Java, which has the mass market, the manpower and the economic and business infrastructure. This method needs to be supplemented by measures to move people to the Outer Islands to develop new land for expansion of food production and processing industries which need to be located near the raw material resource. Movement of people in this direction has been government policy for a long time, but the data analysed above show that the present rate and trend of migration is wholly inadequate to make any dent in the distribution of population. This suggests that the strategy of transmigration may need to be reconsidered. Judging by past experience, it is the young who are most mobile. Transmigration policies may therefore be more effective if they are modified in the direction of providing greater incentives to young people. More emphasis may have to be given to providing wage employment in the Outer Islands; this is more likely to elicit a more substantial flow of migration than the previous policy of settling migrants as cultivators on their own account."

Sigit (1984: 33-34) adds:

"To achieve quicker and better results in terms of 'desired' population redistribution, the resettlement program must, therefore, be aimed at motivating people to move to new areas by developing these destinations and providing

them with adequate transport and communication links with areas of origin. In this manner, other family members, relatives and friends of the migrants, and later on other people as well, will be attracted to follow suit. For purposes of rapid and cost-effective development, the areas chosen must already be developing, or have such distinct potential, and be linked with nearby cities."

It has been argued that in Indonesia censuses and conventional large-scale surveys tend to systematically conceal much of non-permanent migration, also referred to as circulation, seasonal migration, and commuting (Hugo, 1982). Several studies have been noted here and there pointing not only to its widespread occurrence but also to its social and economic importance. Circular migration is significant not only because it serves to reduce pressure on areas of destination which permanent migration usually brings to bear, but more importantly because it connects less developed areas of origin to more advanced places of destination via remittances and the diffusion of modern ideas and practices. Inferring from one of the studies he reviews, Hugo (1982:75) observes:

"The West Java study certainly supports the contention that the net remittances of nonpermanent migrants were substantially greater and more significant than those of permanent migrants. Moreover, the study makes clear that, under current conditions, the flow of remittances is absolutely critical to the well-being of many village households. From the perspective of rural development, however, it should be mentioned that the bulk of these remittances are used to purchase the mundane necessities of life (food, clothing, etc.); and while there is some investment in housing and land, amounts directed toward employment-generating enterprises are relatively small".

This last point, however, overlooks second-order and multiplier effects from expenditures on basic needs or on 'luxuries', for that matter. There is now some discussion in the literature on the importance of these more indirect economic effects in communities.

Labour Migration and Employment

The preceding section considered migration patterns in general in relation to socioeconomic forces and government policies. Migration streams, however, are largely made up of persons in the labour force in search of gainful economic activity. Because the migration issue has much to do with the employment problem, it is also useful to look into the scale of labour mobility, its direction and absorp-

n in the sector of destination. This section examines comparative data, cross-nationally and over time, on structural change in the labour force in terms of intersectoral migration, industry-services ratios, and absorption. Data on the relative shares of the labour force in agriculture (A), industry (I), and service sector (S) from 1950 to 1980 at decennial intervals are presented in Annex Table 1. Three Latin American countries, viz. Colombia, Brazil and Mexico, are included for additional comparisons, since these Latin NICs or near-NICs resemble, in some ways, East and Southeast Asian countries.

Not surprisingly, there is a close correspondence between the trends of labour force in agriculture and the complement of the levels of urbanization (see Annex Table 1 and Table 1 for the Asian countries). The data in Table 2 show how labour is distributed in the non-agricultural sector, namely, between the industrial (I) and service (S) sub-sectors. Such distribution reflects, in a way, the character of the industrialization and urbanization processes occurring in each country.

In all countries the labour force share in the service sector has always been more dominant than that in industry. But there are discernible differences mirroring the nature of economic growth, the types of policies adopted, and, more proximately, the underlying intersectoral labour currents. Republic of Korea manifests a clear transition from a services-dominated industrialization to one that is more balanced between industry and services, as illustrated by a consistent drop in S/I ratio from 3.1 in 1950 to 1.1 in 1970 (Table 2). The rise in the S/I ratio to 1.3 in 1980 probably indicates a graduation into a more mature service-oriented economic phase, as has happened in the more industrialised countries, rather than an expansion of the informal sector, as seems to be happening in the other countries under consideration.⁷

Malaysia exhibits a stable S/I ratio of just above 2.0 from 1950 to 1980, and similarly does Brazil. Mexico shows a moderate rise in service-sector dominance, while in Colombia, Indonesia and the Philippines the increase is more pronounced, reflecting most likely the swelling of the informal sector in these countries. Thailand's case is peculiar and can be mistaken for an early structural transition. In fact, it had the highest S/I ratio of 4.2 in 1950, declining

⁷This is not to pass judgement on the value of the service (tertiary) sector of the informal sector, for that matter, vis-a-vis the industrial (secondary) sector, but merely to make some observations on the anatomy of the industrialisation process in these countries. Admittedly, there is increasing evidence, at the micro level, to show that the tertiary or informal sector can also be dynamic and be a source of more stable employment.

Table 2 -- Ratios of Labour Force Share in Service Sector to That in Industry: Selected Asian and Latin American Countries, 1950-80

	1950	1960	1970	1980
Indonesia	1.5	2.0	2.5	2.5
Thailand	4.2	2.7	2.4	1.7
Philippines	1.8	1.6	2.0	2.2
Malaysia	2.2	2.1	2.2	2.1
Republic of Korea	3.1	1.4	1.1	1.3
Colombia	1.4	1.5	2.0	2.5
Brazil	1.8	2.2	2.0	1.9
Mexico	1.3	1.3	1.4	1.5

Source: Annex Table 1.

steadily to 1.7 in 1980 which was about the level where most of the other countries started in 1950. Hence, service-sector dominance in Thailand may yet go up again before it falls to the level of the NICs.

Underlying the structural change in labour force are the pattern and speed of intersectoral labour mobility, which was implicit in the earlier discussion of population migration in general. Table 3 presents labour migration rates from agriculture to industry and services in the '50s, '60s, and '70s. Republic of Korea stands out with high and increasing out-migration rate from agriculture combined with greater entry into industry than into the service sector (Table 4). Closest to Republic of Korea is Brazil especially in the '60s and '70s; also, in the latter decade both countries showed noticeable negative growth rates in agricultural labour force.

Consistent with its general migration patterns discussed in the previous section, Malaysia shows a relatively moderate out-movement of labour from the agricultural sector throughout the three decades, and rural labour migrants appear well accommodated in industry particularly in the '70s. Thailand's trend is again atypical. The departure rate of labour from the primary sector is more moderate than in Malaysia, and the industrial entry ratio is relatively high throughout (except in the '60s).⁸ Thailand's industrial sector, however, is excessively concentrated in Bangkok, as pointed out earlier.

Indonesia and the Philippines display modestly increasing agricultural out-migration rates coupled with low (less than unity) indus-

⁸The unusually high industrial entry ratios for Thailand in the '50s and '70s may, however, represent a statistical artifact.

Table 3 — Labour Migration Rates from Agriculture to Industry and Services:
Selected Asian and Latin American Countries, 1950-80 (in percentages)

	1950-60			1960-70			1970-80		
	A	I	S	A	I	S	A	I	S
	Indonesia	-5.0	-1.3	32.0	-11.4	16.6	42.0	-12.5	23.3
Thailand	-2.2	56.9	2.7	-4.6	36.8	19.1	-4.8	51.1	5.9
Philippines	-8.7	28.4	11.6	-12.9	4.2	30.4	-13.5	7.6	19.4
Malaysia	-6.2	15.7	11.5	-12.0	17.1	22.1	-9.9	16.5	10.5
Republic of Korea	-10.4	45.2	24.8	-23.1	116.3	18.8	-33.3	44.6	27.8
Colombia	-9.4	5.6	17.3	-26.4	9.3	40.2	-31.3	-0.1	28.9
Brazil	-13.2	4.4	27.8	-12.0	23.6	8.2	-34.2	30.9	27.6
Mexico	-9.9	16.8	14.4	-17.9	17.2	25.8	-20.4	13.8	19.0

Source: Annex Table 2.

**Table 4 — Relative Industrial Entry of Rural Labour Migrants:
Ratio of In-migration Rate in Industry to That in Services**

	1950-60	1960-70	1970-80
Indonesia	-0.04	0.39	0.94
Thailand	21.07	1.93	8.66
Philippines	2.45	0.14	0.39
Malaysia	1.36	0.77	1.57
Republic of Korea	1.82	6.19	1.60
Colombia	0.32	0.23	0.00
Brazil	0.16	2.88	1.12
Mexico	1.13	0.67	0.73

Source: Table 3.

trial entry ratios, except in the '50s for the Philippines reflecting perhaps the easy phase of import-substituting industrialization. On the other hand, Colombia and Mexico exhibit rapidly increasing outflows from the primary sector and less-than-unity or diminishing industrial entry ratios.

Available data on labor absorption rates for Republic of Korea, the Philippines, and Thailand lend additional substance to a discussion of intersectoral labour migration, especially as regards the concept of structural transition (Table 5). The data show that Republic of Korea has clearly been experiencing agricultural labour release and industrial labour absorption since the early '60s. At the same time, its industrial production has been growing spectacularly, so that the industrial labour absorption rate appears relatively low although higher nonetheless than the national average in both decades.

By contrast, the agricultural sector in both the Philippines and Thailand continues to absorb labour at the same time that industrial sector employment is growing only modestly. In the '70s the industrial labour absorption rate in both countries remained lower than the national average, such that the service sector had to absorb the greater part of rural-to-urban migrants. Oshima's (1984:32) observation is relevant: "For Thailand, Philippines and Indonesia, in varying parts around the middle of the structural and demographic transitions with roughly one-half or so of labour force in agriculture and

Table 5 — Average Annual Growth Rates of Employment, Real Product, and Absorption Rates:
South Korea, Philippines, and Thailand

	Employment Growth, Gn (%)			Product Growth, Gy (%)*			Labour Absorption, Gn/Gy			
	Total	A	S	Total	A	S	Total	A	S	
Republic of Korea										
1963-71	2.5	-0.8	9.2	5.5	4.4	17.2	8.9	0.29	-0.18	0.53
1971-80	3.9	-0.1	9.2	4.8	3.2	15.4	8.5	0.41	-0.03	0.60
Philippines										
1960-71	3.6	1.9	4.4	6.8	4.3	6.0	5.2	0.71	0.44	0.73
1971-78	4.1	4.4	3.2	4.2	4.9	8.7	5.4	0.65	0.90	0.37
Thailand										
1973-80	4.1	3.8	4.8	4.6	4.7	10.1	7.3	0.57	0.81	0.47

*1960-70 and 1970-80

Source: ILO, *Yearbook of Labour Statistics* (Geneva: 1969, 1974, 1983); and World Bank, *World Development Report 1982* (Washington, D.C.: 1982).

total fertility around 4.0, there is no choice but to continue on with an extensive policy of rural development for another decade, if surplus labour is to be absorbed, particularly because the labour force explosion will continue into the 1990s."

Concluding Remarks

Migration research has no doubt made considerable progress over the past decade or so. For instance, while ten years ago the literature was dominated by descriptive analyses of migration patterns and by theoretical micro-models, in recent years there have been increasing efforts at empirically linking migratory behaviour and patterns to socioeconomic development variables, including policy considerations. Accordingly, useful policy discussions and attempts to incorporate migration and urbanization concerns in regional development planning are more feasible now than before.

The theme of this essay is that the patterns and effects of internal migration in East and Southeast Asian countries have been conditioned not so much by the rate as by the character of economic growth and the types of policies adopted. A review of the migration experiences in these countries reveals some kind of regularity that may be referred to as the 'mobility transition', which is intimately tied with structural transition from agriculture to industry involving labour absorption and release.

Places like Taiwan, China and Malaysia that paid sufficient attention to rural development at an early stage seemed to be able to avoid or shorten the phase of massive rural-to-urban migration and excessive urban primacy even as they were industrializing rapidly. The Republic of Korea did experience phenomenal industrialization but not without markedly unbalanced urbanization because apparently its rural development thrust came relatively late. The Philippines, Thailand, and to a lesser degree perhaps Indonesia, appear to have followed the Republic of Korea rather than Taiwan, China or Malaysia in the context of the 'mobility transition'.

The analysis in no way tries to downplay the important role of such other parameters as history and geography in the mobility transition. Rather, it attempts to highlight the crucial function of policies in shaping migration patterns, either indirectly through economic development and industrialization or directly by means of more specific measures. For instance, it seems that Taiwan, China and Malaysia were able to minimize the implicit biases for spatial concentration of macro-economic growth, industrial and trade policies by adopting explicit policy instruments to vigorously promote

al off-farm employment, labour-intensive and resource-based industries.

The character of economic growth and of policies also influences the effects of migration in terms of the rate of departure of our migrants from agriculture, their entry into industry relative to the service sector, as well as their consequent absorption in those sectors. Moreover, where off-farm employment in rural areas and in all cities is scarce, and employment possibilities in the modern industrial sector limited, labour migration into big cities tends to be heavy, with the majority entering the service sector largely characterized by informal activities or by disguised unemployment.⁹ In this connection Oshima's (1984) conclusion, namely, that Thailand, the Philippines, and Indonesia require extensive rural development another decade, is very pertinent.

As recent urban and regional development studies have shown, macro and sectoral growth policies are not space-neutral but in fact exert potent spatial biases. Policy choice in the context of spatial models should, therefore, be made more carefully so that conflicts among policies are avoided and measures that efficiently achieve objectives are adopted. This requires thoughtful policy analysis in the planning ministries, if not in research institutions themselves. Specific questions to be asked in this connection, for example, are: under what particular settings (e.g., land tenure, social and political structures) can such strategies as rural development, off-farm employment, or the promotion of labour-intensive industries effectively keep people from moving to big cities; what are the concrete beneficiaries of such strategies? There are some indications, for instance, that farm mechanization tends to induce out-migration while irrigation tends to retain farm population. But what scales and types of mechanization and irrigation? What specific employment opportunities in cities attract migrants, for example, as initial jobs; and are there ways of generating these outside big cities? To what extent do public amenities and social services in cities influence the decision to migrate, and in what ways can they be effectively provided in smaller cities and towns?

Beyond the whole issue of migration determinants, wide gaps in knowledge persist as to the consequences of migration at origin and destination areas, as well as for the economy as a whole. These lacunae also need to be filled because of the intimate interplay between policies to influence population flows and policies to respond to those flows. When, as is often the case, migration currents

⁹But see footnote no. 7.

inestoppable, governments need to come up with economic policies.

REFERENCES

- d, Fred and Cochrane, S.H. (1980), "Economic Motivation Versus City Lights: Testing Hypotheses About Inter-Changwat Migration in Thailand", World Bank Staff Working Paper No. 416 (September).
- sta, Romeo M. (1983), "Industrial Policy and Development in the ASEAN Countries", Discussion Paper 8303 (February), U.P. School of Economics.
- rane, Susan H. (1979), "The Population of Thailand: Its Growth and Welfare", World Bank Staff Working Paper No. 337 (June).
- zales, Virginia C. (1982), "Determinants of Interregional Migration: Philippines, 1960-70 and 1970-75", Unpublished M.A. Thesis, U.P. School of Economics (November).
- so, Graeme J. (1982), "Circular Migration in Indonesia", *Population and Development Review*, Vol. 8, No. 1 (March), pp. 59-83.
- n, Song-Ung (1984), "An Analysis of Social Forces Underlying Migration Patterns in Korea", Draft Paper prepared for CAMS, Manila (May).
- ongkaew, Medhi and Tongudai, P. (1984), "The Growth of Bangkok: The Economics of Unbalanced Urbanization and Development", Discussion Paper Series No. 90 (May), Faculty of Economics, Thammasat University.
- uznets, P.W. (1984), "Employment Absorption in South Korea: 1970-1980", Draft Paper prepared for CAMS, Manila (October).
- ipton, Michael (1976), *Why Poor People Stay Poor: Urban Bias in World Development*, Cambridge Mass.: Harvard University Press.
- liu, Paul K.C. (1982), "Labor Mobility and Utilization in Relation to Urbanization in Taiwan", *Industry of Free China* (May and June), pp. 1-17.
- Liu, Paul K.C. (1983), "Factors and Policies Contributing to Urbanization and Labour Mobility in Taiwan", *Industry of Free China* (May), pp. 1-20.
- McNicoll, Geoffrey (1969), "Net Migration between Java and the Outer Islands", *Bulletin of Indonesian Economic Studies*, Vol. 5, pp. 78-80.
- McNicoll, Geoffrey and Mamas Si de Gade (1973), "The Demographic Situation in Indonesia", *Papers of the East-West Population Institute*, No. 28 (December).
- Ng, Ronald (1974), "A Study of Recent Internal Migration in Thailand", *The City in the Third World*, ed. D.S. Dwyer, (New

- York: Harper and Row), pp. 81-104.
- Limina, Harry T. (1983), "The Industrial and Demographic Transitions in East Asia", *Population and Development Review* (December).
- Limina, Harry T. (1984), "Labor Absorption and Release in East Asian Agriculture", Draft Paper prepared for CAMS, Manila (October).
- Merlanga, Cayetano Jr. and Pernia, E.M. (1983), "Economic Policies and Spatial and Urban Development: The Philippine Experience", *Regional Development Dialogue*, Vol. 4, No. 2 (Autumn), pp. 67-86.
- Mucual, Elvira M. (1966), "Internal Migration in the Philippines," U.P. Population Institute, (mimeo).
- Neria, Ernesto M., Paderanga, C.W., Hermoso, V.P. and Associates (1983), *The Spatial and Urban Dimensions of Development in the Philippines*, Manila: Philippine Institute for Development Studies.
- Neria, Ernesto M. (1984), "Implications of Urbanization for Food Policy Analysis in Asian Countries", East-West Resource Systems Institute, Honolulu (April).
- Neria, Ernesto M. and Angeles, Edna S. (1984), "Interregional Migration in the Philippines", Draft Paper prepared for CAMS, Manila (October).
- Ngjit, Hananto (1984), "Inter-Provincial Flow of Migration in Indonesia, 1967-80", Draft Paper prepared for CAMS, Manila (October).
- Ortiz, Peter C. (1977), "The Evolving Pattern of Interregional Migration in the Philippines", *Philippine Economic Journal*, Vol. 16, Nos. 1 & 2, pp. 121-159.
- Ortiz, L.Y. (1977), "An Analysis of Internal Migration in Peninsular Malaysia: Dimensions, Causes, and Some Policy Implications," *Philippine Economic Journal*, Vol. 16, Nos. 1 & 2.
- Orndrum, R.M. (1976), "Inter-Provincial Migration", *Bulletin of Indonesian Economic Studies*, Vol. 12. No. 1 (March), pp. 70-92.
- Ortiz, Siew Ee and Lai Yew Wah (1984), "Internal Migration in Peninsular Malaysia: Patterns, Determinants and Implications", Draft Paper prepared for CAMS, Manila (August).
- Orlinsky, W. (1971), "The Hypothesis of the Mobility Transition," *Geographical Review*, Vol. 41, No. 2, pp. 219-249.

TABLE 1 — LABOR MIGRATION FROM ASIAN AND LATIN AMERICAN COUNTRIES, 1950-80
Selected Asian and Latin American Countries, 1950-80

	(Thousands)								
	1950 - 60			1960 - 70			1970 - 80		
	Agri	Ind	Serv	Agri	Ind	Serv	Agri	Ind	Serv
Indonesia	-1,352	-38	1,393	-3,584	585	3,000	-4,370	1,199	3,169
Thailand	-256	214	43	-645	267	379	-859	674	185
Philippines	-639	368	272	-1,080	88	993	-1,298	216	1,084
Malaysia	-113	43	70	-267	71	197	-262	108	154
Rep. of Korea	-635	238	399	-1,687	1,184	503	-2,481	1,306	4,226
Colombia	-261	50	211	-890	117	773	-3,411	2	1,070
Brazil	-1,802	143	1,659	-1,876	1,052	824	-6,210	2,251	3,962
Mexico	-667	308	359	-1,432	485	948	-1,860	634	1,224

Note: These are estimates of labour migration adopting the assumption that the natural increase rate of labour in each sector during each decennial interval is similar to the average growth rate of total labour force in each country in the same interval. The difference between the expected (from natural increase alone) and observed labour force for each sector is then taken to be due to migration. In the nature of things, this difference is negative for agriculture (out-migration) and positive for industry and services (in-migration). Where the sum of positive values for industry and services does not equal the negative value for agriculture, the discrepancy may be attributed partly to immigration (emigration) and partly to statistical errors. At any rate, the discrepancies obtained are actually minor.

Source: Same as Annex Table 1.