

Migration and Labor Mobility in North East Asia

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Labor mobility is considered one of the integral pillars of economic integration that drives economic and social development. Yet, the intra-regional movement of people and labor, in comparison to that of goods, services and investment, has not been exploited to the full potential to date.

The pattern of migration and labor mobility in North East Asian region (NEA) is characterized by large outmigration from the PRC and Russia, some of which are directed to other NEA countries but mostly to other areas of Asia and beyond. US, Ukraine, Kazakhstan, Hong Kong and Japan are the five main destinations of international migrants of NEA origin and that only 9.6 % of international migrants of NEA origin stays within other NEA countries as migrants.

Intra-NEA migration was driven by historical events. More recently it is driven by movement of workers and students, primarily directed to Japan, PRC, and ROK, but remains modest in size although increasing in volume over time. In addition, migration to and from Mongolia within the region has surged over the past decades. Recent labor migration flow consists of a mix of skilled and unskilled labor as well as students and trainees.

One key driving factor of labor mobility in Asia is aging and demographic changes. Japan has been rapidly aging with PRC, ROK along with other non-NEA countries exporting workforce to date. But recently, aging, demographic change is also taking toll in PRC, ROK and the outmigration pressure from these countries will decline while the demand for foreign works is expected to increase. PRC migrants will likely decline due to rising local wages and many are expected to return home to care for elderly parents. The future migrants to NEA will then likely be sourced from countries outside NEA. This can possibly make NEA region net region of immigration with declining share of intra-migration in the future.

Asia region is undergoing structural transformation, gearing towards the production of quality goods and services that serve for higher end of global value chains. The region, therefore, stands to gain from facilitating international migration of talent, moving away from being a net emigration area of skilled workers. Promotion of skilled worker mobility can take form of establishing schemes such as skills recognition scheme and creating business environment friendly to entrepreneurs and investors. Enhanced business and academic dialogue as well as tourism can also contribute to removing cultural and language barriers which are persistent in some areas/sectors. There is large gain to be harvested in this area where limited degree of facilitation is made to date.