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Chulalongkorn University

ศูนย์วิจัยการย้ายถิ่นแห่งเอเชีย

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Myanmar-Thailand Migration: Unpacking Firms' Experience in Hiring Myanmar Workers

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Executive summary

The research Myanmar-Thailand Migration: Unpacking Firms' Experience in Hiring Myanmar Workers was undertaken in 2024 with the objectives of updating the employment of Myanmar workers after COVID-19 disruption and understanding employers' requirements for workers recruited through the Memorandum of Understanding (MOU) system and the Nationality Verification (NV) program. It also aimed to gather in-depth information on employers' experiences in hiring Myanmar workers, in order to develop directions for government migration policy and to address the challenges faced by employers when hiring Myanmar and other foreign workers. The key findings are as follows.

Overview of Myanmar labor migration into Thailand

Thailand has become a major destination for Myanmar workers due to its geographical proximity, political instability in Myanmar, and labor demand in the manufacturing, construction, and service sectors. Although the MOU and NV systems provide legal channels, many workers still choose to enter Thailand irregularly because MOU procedures are complex and costly. As a result, there remains a large number of undocumented Myanmar migrants in the country. By the end of 2023, around 1.4 million Myanmar workers were legally registered, but when irregular migrants are included, the number is estimated to be as high as 4 million. Migrant employment helps alleviate labor shortages in Thailand's aging economy, while remittances provide essential income for households in Myanmar and contribute to improved quality of life

Labor management systems and challenges

The MOU system was fully implemented in 2009, but in practice it continues to face delays, high costs, and reliance on brokers. Data about workers are fragmented across agencies, preventing effective integration of monitoring and protection systems. The COVID-19 pandemic and the ongoing conflict in Myanmar have further complicated migration processes. Recruitment, which is often conducted by employer agencies, suffers from job mismatches that fail to meet the real demands of employers.

Remittances

Remittances play a crucial role in household economies in Myanmar, supporting basic expenditures, education, and health. Official channels include banks and licensed mobile money services. However, formal remittance systems face obstacles from Myanmar government restrictions, political and economic instability, internet shutdowns, foreign exchange controls, and bank closures, which delay transfers and reduce accessibility for

recipients. As a result, many migrants continue to rely on informal brokers and non-official channels, which remain faster and easier to access despite their lack of transparency.

Thai employers' demand for Myanmar workers

The survey results show that Thai employers remain highly dependent on Myanmar workers, especially in manufacturing, construction, and agriculture. Employers generally view Myanmar workers as hardworking, reliable, and productive, with performance improving over time. However, concerns remain regarding frequent job changes, language barriers, and limited job-specific skills. Recruitment through the NV process is considered quicker than through the MOU system. Employers suggested that improvements should focus on better matching between skills and job positions, reducing recruitment time, and providing prior information on workers' employment history.

Skills desired by employers

Employers place importance on both occupational and socio-emotional skills when hiring Myanmar workers:

- **Occupational skills:** Ability to read and write in Thai, ability with calculations and numbers, job-specific technical skills, communication skills, leadership skills, teamwork skills, creative and critical thinking, problem-solving skills, ability to work independently, and time management skills.
- **Socio-emotional skills and personality:** Conscientiousness, emotional stability, agreeableness, extroversion, and openness to experience.

Employers in construction and manufacturing particularly value technical expertise and emotional stability, while those in the service sector emphasize social skills, especially literacy in Thai. In agriculture and construction, teamwork skills are viewed as critical.

Policy recommendations

The Thai government and related agencies should focus on three main areas:

1. Promote legal labor migration by simplifying and reducing costs in the MOU and NV systems.
2. Develop low-cost and transparent remittance channels to support households in Myanmar and reduce reliance on informal systems.
3. Strengthen training programs for Myanmar workers, particularly in Thai language, technical abilities, and socio-emotional skills, in order to enhance workplace efficiency and reduce conflicts.

Myanmar migrant workers play a vital role in the Thai economy and act as an economic bridge between the two countries. Establishing an efficient and transparent system that genuinely protects labor rights represents both a challenge and an opportunity to strengthen regional cooperation in the future.

Table of Contents

Abbreviation	v
List of Tables.....	vi
List of Figure	vi
Chapter 1 Overview of labor migration from Myanmar to Thailand.....	1
Chapter 2 Myanmar-Thailand Migration Systems and Challenges	5
Chapter 3. Migration Journey and Resulting Remittances	15
Chapter 4. Employers' Hiring Experiences of Myanmar Workers and Evaluation of Thailand's Recruitment Systems	30
Chapter 5. Employers' Demand for Skills on Myanmar Workers	40
Chapter 6. Conclusion and Recommendations	57
References.....	66
Appendices.....	71
Appendix A. Sampling and Location of the Survey of Thai Employers	71
Appendix B. Summary Characteristics of the Sampled Industry and Employers' Plans	73
Appendix D. Results of Skills Demand and Regression Analysis	85
Annex 1: Who does what in the Thailand-Myanmar MOU migration systems and in the Korea-Myanmar MOU systems	94

Abbreviation

ATM	Automated Teller Machine
CI	Certificate of Identity
CSO	Civil Society Organizations
DOE	Department of Employment
GDP	Gross Domestic Product
ILO	International Labor Organization
IOM	International Organization for Migration
MHIS	Migrant Health Insurance Scheme
MOI	Ministry of Interior
MOL	Ministry of Labor
MOPH	Ministry of Public Health
MOU	Memorandum of Understanding
MTO	Money Transfers Operator
NGO	Non-Governmental Organization
NRC	National Registration Card
NV	National Verification
RSP	Remittances Service Provider
SSF	Social Security Fund
SSO	Social Security Office
THB	Thai Baht
USD	United States Dollars
WCF	Workmen's Compensation Fund

List of Tables

Table 2-1 Summary of cabinet resolutions passed during the COVID-19 pandemic	11
Table 2-2 Access to social protection for Thai citizens, regular and irregular migrants..	13
Table 3-1 Rights conferred to Myanmar migrant workers depending on status	16
Table 3-2 Financial access in Thailand and Myanmar	20
Table A-1 Summary characteristics of the sampled industries	73
Table A 3-1 Number of Myanmar workers employed (by sector)	79
Table A 3-2 Forecast of Myanmar Workers' Numbers via Regularization	79
Table A 3-3 Greatest difficulties experienced by employers when hiring Myanmar workers (MOU).....	80
Table A 3-4 Greatest difficulties experienced by employers when hiring Myanmar workers (NV)	80
Table A 3-5 Reasons for dismissing Myanmar Workers	81
Table A 3-6 Most significant efforts made by employers to resolve problems hiring Myanmar workers	81
Table A 3-7 Frequency of organizing team-building activities to help Myanmar workers to improve teamwork and cultural understanding	81
Table A 3-8 Services of the DoE for foreign workers used (in the last month)	82
Table A 3-9 Top two advantages of hiring MOU workers	82
Table A 3-10 Top two advantages of hiring NV workers.....	83
Table A 3-11 Top two disadvantages of hiring MOU workers	83
Table A 3-12 Top two disadvantages of hiring NV workers	84
Table A 3-13 Areas where improvements are needed the most in hiring Myanmar workers (MOU & NV).....	84
Table A 3-14 Additional information that could be useful for hiring Myanmar Workers.	84
Table A 4-1 Skills needed from Myanmar and Thai workers in case of hiring an additional one.....	85
Table A 4-2 Skills needed from Myanmar and Thai workers future skills (Q31 – Q37) ..	85
Table A 4-3 Top 3 Skills Required by Myanmar and Thai Workers (Q38a – Q39b).....	87
Table A 4-4 Detailed variables, questionnaire inquiries, and data settings	90
Table A 4-5 Descriptive of the data used in the regression	92
Table A 4-6 Result of the Probit regression: Factors associated with the perceived productivity of migrant workers	93

List of Figures

Figure 1-1 Number of regularized Myanmar workers in Thailand by type and year (2018–2023).....	3
Figure 1-2 Employment of Myanmar workers in Thailand by sector and gender	3
Figure 2-1 Existing MOU process with timeframe	7
Figure 2-2 Process of Switching from Regular to Irregular Worker Status	9
Figure 2-3 Illegal Border Crossing from Myanmar to Thailand: Routes and Duration ..	10
Figure 3-1 Remittance Flows from Thailand to Myanmar	18
Figure 3-2 Remittance Flows households in Myanmar and coping strategies during hard times	19
Figure 3-3 Remittance sending method and related fees	22
Figure 3-4 Proportion of Remittances Sent via MTO Agents and MTO Online	27
Figure 3-5 Remittance Flow Share (MTO Vs Bank)	27
Figure 4-1 Average no. of Myanmar workers recruited by surveyed Thai firms by sector (%).....	31
Figure 4-2 Forecast of demand for myanmar workers.....	32
Figure 4-3 Comparative Output: Thai Workers at 100% vs Myanmar Workers' Potential Output	32
Figure 4-4 Top advantages of hiring Myanmar workers.....	33
Figure 4-5 Top disadvantages of hiring Myanmar workers	33
Figure 4-6 Reasons for dismissing Myanmar Workers.....	34
Figure 4-7 Most Significant Efforts Made by Employers to resolve problems hiring Myanmar Workers.....	34
Figure 4-8 Frequency of Organizing Team-building Activities to help Myanmar Workers to improve teamwork and cultural understanding	35
Figure 4-9 No. of Days taken to hire Myanmar Workers	36
Figure 4-10 Greatest Difficulties Experienced by Employers when hiring Myanmar Workers.....	36
Figure 4-11 Services of the DoE for Foreign Workers used (in the last month).....	37
Figure 4-12 Areas identified for improvement in recruitment process.....	38
Figure 4-13 Additional information that could be useful for hiring Myanmar Workers .	38
Figure 5-1 Needed job-specific skills and soft skills among Thai and Myanmar workers	47
Figure 5-2 Socio-emotional skills and personality traits Required by Myanmar and Thai Workers on conscientiousness	48
Figure 5-3 Socio-emotional skills and personality traits Required by Myanmar and Thai Workers on emotional stability	48
Figure 5-4 Socio-emotional skills and personality traits Required by Myanmar and Thai Workers on agreeable.....	49
Figure 5-5 Socio-emotional skills and personality traits Required by Myanmar and Thai Workers on extroversion	50

Figure 5-6 Socio-emotional skills and personality traits Required by Myanmar and Thai Workers on openness to experience	50
Figure 5-7 Socio-emotional skill expected by employers on Thai and Myanmar workers	51
Figure 5-8 Conceptual framework of the productivity comparison of migrants	53
Figure A-1 Occupation with highest levels of recruitment difficulties	75
Figure A-2 Sector with highest levels of recruitment difficulties	75
Figure A-3 Comparison of Numbers of Thai Employees Required and Actually Hired ..	76
Figure A-4 Reasons for hiring difficulties	76
Figure A-5 Preference of Background Characteristics Specified by MOU&NV Workers	77
Figure A-6 Nationality of preference by Thai employers	78
loyers	78
Figure A-7 Reasons for Preferred Nationality employers.....	78

Chapter 1 Overview of labor migration from Myanmar to Thailand

Thailand has long been a primary destination for Myanmar migrants due to its geographical opportunity and robust economic opportunities. Since 1992, Myanmar workers have migrated to Thailand to work in the “3D” jobs (dirty, dangerous, and difficult) that Thai workers typically avoid, particularly those jobs that cannot be easily replaced by technology and automation (Chantavanich and Vungsiripaisal 2013; Kulkolkarn et al, 2021). The Myanmar-Thailand corridor is the most significant route, characterized by long borders, weak enforcement capacity, and political and ethnic conflicts in Myanmar, which have made irregular migration attractive to many prospective migrants (Testaverde et al, 2020). In this chapter, the context of labor migration from Myanmar to Thailand through various channels and past implementation will be given to readers. Information is based on the results of the qualitative study conducted in 2022 through interviews with Thai officials working with Myanmar workers. Formal and informal workers were among key informants and focus group discussions.

Myanmar workers have three channels to work in Thailand. The primary route is the MOU channel, established through the bilateral *Memorandum of Understanding (MOU) on Cooperation in the Employment of Workers* to regulate the flow of low-skilled migrants to Thailand.¹ The second type is the Border Pass scheme, which allows Myanmar workers who live in border provinces to work in permitted border provinces in Thailand for a short duration.² The third is an investment visa-type, which has seen fairly minimal take-up among Myanmar workers.

In Thailand, hiring migrant workers must comply with the Alien Working Act 2018. This Act controls the hiring of migrant workers through various legal provisions. The Act requires migrant employees to obtain a work permit to lawfully work in Thailand. Work permits must be renewed annually, and appropriate documents and fees must be submitted. If a migrant worker leaves Thailand or changes employment, his or her work visa must be cancelled. Employers who violate the Alien Worker Protection Act may face fines and/or jail time. There are some exceptions to this rule for business owners, investors, and highly skilled professionals, who are eligible for special work permits that allow them to work independently without an employer.

¹ Thailand concluded this same MOU with Cambodia, Lao PDR, and Vietnam respectively.

² Cambodian workers are eligible for the Border Pass as well.

Many jobseekers use informal channels to cross the border into Thailand as a job strategy to find employment, often owing to the faster processing times compared to formal channels (Testaverde et al, 2020). Despite the regular systems, many Myanmar job seekers still enter Thailand informally due to quicker deployment process. The share of MOU workers was limited to 16 percent of the total regular Myanmar workers in Thailand in 2023, sharply dropping from 59 percent in 2019, before the COVID-19 pandemic. Since the outbreak of COVID-19 and the closure of all borders, the new batch of MOU workers could not enter Thailand. Only the returned MOU group can continue to be recruited by recruitment agencies in Thailand.

In 2022, as the COVID-19 situation improved, MOU migration resumed. Applications for employment in Thailand were approved for over 140,000 migrant workers through an MOU signed with Myanmar, Laos, and Cambodia. The Department of Employment (DOE) revealed that Thai employers submitted applications to bring in 167,961 migrant workers: 117,029 from Myanmar, 38,933 from Cambodia, and the remainder from Laos. Of these, 144,709 applications have been approved. While over 10,000 Cambodian and Lao migrants have arrived on MOU-based employment visas, fewer have come from Myanmar due to ongoing political unrest. Bilateral cooperation issues, such as two postponements at the Mae Sot border crossing, are beyond Thailand's control.

Irregular inflows indicate Thai employers' demand for Myanmar workers, which increased at the onset of recovery from the COVID-19 pandemic. A national survey conducted by Thailand Ministry of Labor (MOL) in 2021 revealed that employers continued to demand for Myanmar workers, with a high number of 256,000 persons, accounting for 63 percent of all migrant workers from the MOU partner countries – i.e., Cambodia, Laos, Myanmar and Vietnam. Labor demand coupled with the presence of irregular migrants have led to the implementation of the Natural Verification (NV) procedure to regularize informal Myanmar workers. In May 2023, the Thai government issued a cabinet resolution allowing MOU workers to continue residing in Thailand, extending the time for the NV process to obtain visas and work permits with new passports (ILO Triangle 2023).

Myanmar workers constitute the largest proportion of all foreigners who have been received permission to work in Thailand, constituting about 66 percent (or 1.7 million) as of December 2023 (Figure 1-1, DOE 2024). Including irregular migrants, the number of Myanmar workers in Thailand was estimated to be around 4 million in Thailand in 2021 (UNDP 2023). As of December 2023, the number of Myanmar workers in Thailand who were regularized through the NV process stood at 1.4 million, reflecting the significant magnitude of irregular migration. (DOE 2024).

Figure 1-1 Number of regularized Myanmar workers in Thailand by type and year (2018–2023)

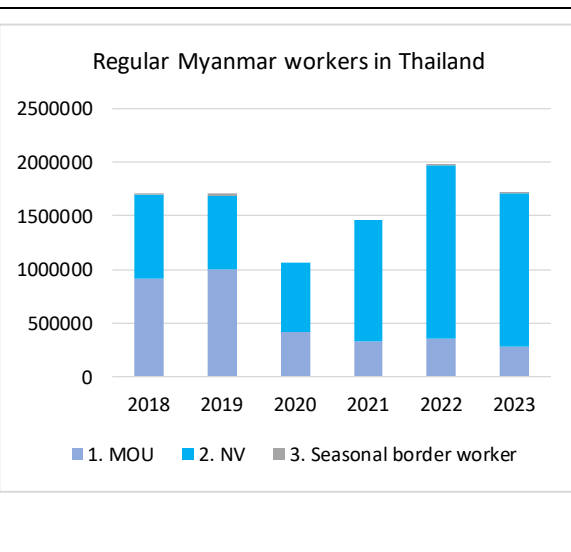
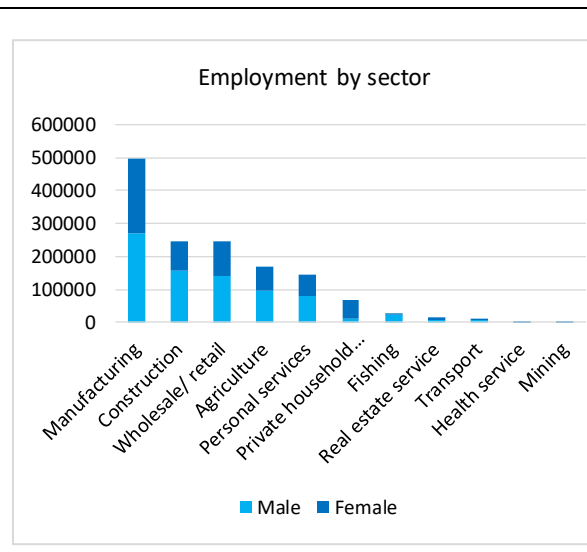


Figure 1-2 Employment of Myanmar workers in Thailand by sector and gender



Source: Thailand Ministry of Labor, Department of Employment 2024

Myanmar migrants predominantly work in the manufacturing, construction, and retail service sectors in urban areas and border provinces in Thailand (Figure 1-2). Within the manufacturing sector, they primarily work in the agriculture-production-related field and their tasks typically involve repetitive tasks in assembly lines and packaging. Private household employment, albeit a small share, is dominated by female migrants, while construction jobs are primarily held by male migrants. Their service jobs are essential in urban areas and tourist destinations. Major cities like Bangkok, Pattaya, and Phuket have high concentrations of Myanmar workers. Many Myanmar migrants are concentrated in border provinces such as Tak, Chiang Rai, and Ranong.

They help address labor shortages in the population aging economy (Moroz et al. 2021). While there are concerns about migrants' impact on employment, foreign workers do not threaten natives' jobs at the national level (OECD 2021). Any negative effects on wages may exist but might last short, and mainly affect lower-skilled natives (Testaverde et al. 2017). The presence of migrants also enables higher female labor participation,

aided by domestic help services they provide, which is estimated to exceed effects of labor migration on growth (Moroz et al. 2021).

Resulting remittances support their families in Myanmar. Recent World Bank household surveys (2023) indicate that migrant households tend to have higher incomes than non-migrant households. Over the past three months from the survey points, these households received, on average, US\$ 500 from abroad. Remittances support household consumption – including necessities, children’s education, health, and housing, contributing to building human capital. However, some households also use remittances to finance debt, making them vulnerable if remittances decline (Testaverde et al. 2020).

Chapter 2 Myanmar-Thailand Migration Systems and Challenges

MOU Migration Systems and Implementation

The MOU between Thailand and Myanmar was created to regulate the follow of low-skilled migrants and ensure proper documentation and legal employment. Those who entered Thailand before 2003 and wished to change their status to MOU workers could do so by returning to Myanmar, applying for a new passport to replace the previous certificate of identity (CI) issued by the Myanmar Embassy in Thailand and then re-enter Thailand. Alternatively, this process could be done in Thailand through Myanmar government representatives operating in border provinces. These workers are known as ‘returned MOU workers’.

Although the MOU was signed in 2003, it did not take effect until 2009. The initial flows of migrants through the MOU were minimal compared to the large numbers of workers crossing the border illegally and this remains the case. Up until 2014, only 87,000 migrant workers had entered Thailand via the MOU channel (IOM 2014). The 2016 updated MOU and subsequently the Royal Ordinance on Foreign Worker Management, which came into effect (2018) aimed to address previous challenges but faced issues like restrictive, costly and time-intensive processes.

The MOU migration offers two-year employment with a possibility to renew for additional two years. After the completion of the terms of employment, MOU workers are expected to return. In case of reapplying for an MOU job, the MOU returnees are required to do so after 30 days from the return. Switching employers during the contract is difficult, creating a power imbalance and impacting worker protections and work conditions.

Migration process on the Thailand side

Three ministries and one office are responsible for managing land border crossing and employment of Myanmar workers in Thailand.

- **Within the Ministry of Labor (MOL), the Department of Employment (DOE) oversees recruitment and employment** through the operation of MOU process and the regularization through NV, including issuing work permits. It manages changes of employers and dispute mediation, and maintains a database on migrant workers and their employers, which includes employment terms and Social Security Fund (SSF) eligibility. **Office of Social Security (OSS)** works

with employers to include MOU workers in SSF, using the DOE database to process their benefit claims.

- **Ministry of Interior (MOI)** issues the Pink Card (an official identification for foreigners living in Thailand long term) and CI card to irregular workers who are regularized and allowed to work in Thailand, adding them into the Civil Registration database as legal person.
- **Ministry of Public Health (MOPH)** conducts medical check-ups and provides the Health Insurance Card (HIC) to NV, CI and Pink Card workers.
- **Immigration Bureau** in the National Police Office processes border crossings, passport and visa control, and collects biometric data. It also monitors worker's stay periods according to their work contracts and extensions.

The MOU recruitment of Myanmar workers involves six steps (as of 2023), an updated process during the recovery from the pandemic. At the end of 2022 when borders reopened and workers could be recruited through the MOU, the Thailand MOL cooperated with Myanmar's MOLIP to revise the process as shown in Figure 2-1. Despite improvements, some steps can be unpredictable, causing delays in the overall process.

1. Thai employers submit a request to their respective DOE office.
2. Demand letters are sent to the Myanmar Embassy in Thailand, which checks the workplace.
3. Myanmar government officers recruit, select, and propose a worker contract.
4. Thai employers submit an application for a two-year work permit.
5. Various stakeholders receive letters permitting migrant workers to enter Thailand.
6. Representatives of the Thai recruitment agency or employer meet the workers at the border, where they go through immigration, a medical check-up, and work permit issuance.

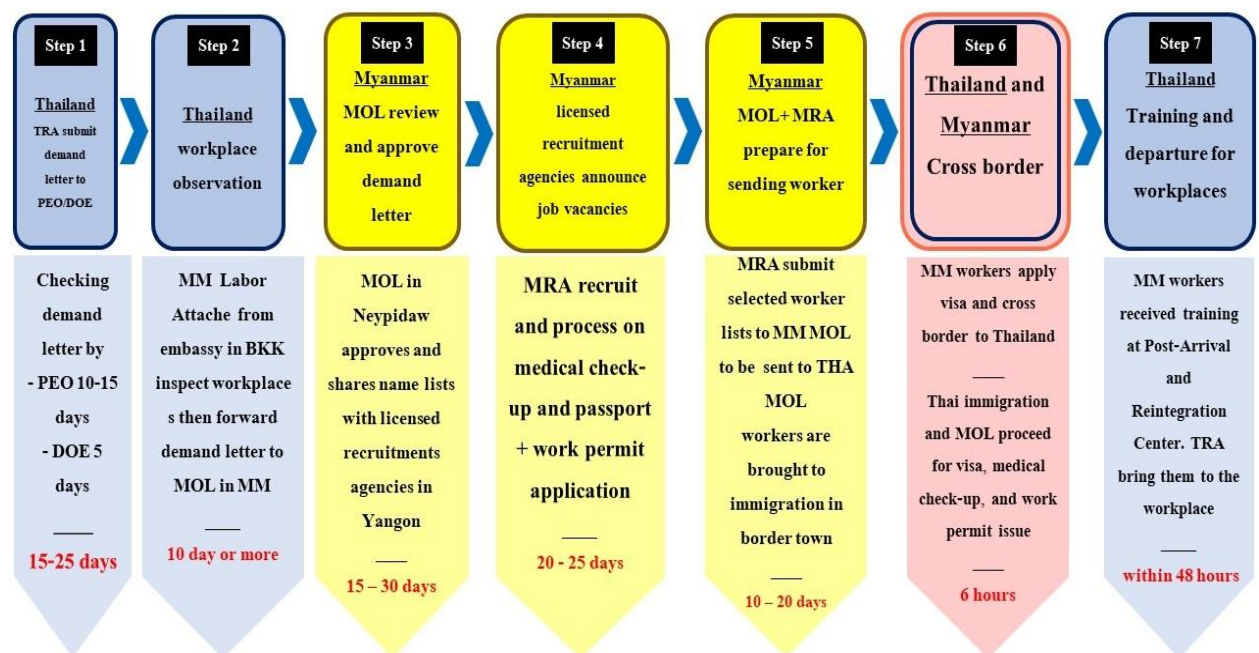
The lack of interoperability among data systems across different agencies presents challenges to inter-agency coordination and evidence-based policy development.

Each agency tends to focus on its own mandate, leading to operational silos. Additionally, these agencies maintain separate databases of migrant workers, which are collected in different formats, lack harmonization, and are not integrated into a single database. For instance, the Ministry of Labor collects fingerprint scans, while the Immigration Bureau collects iris scans. Establishing a data sharing agreement among agencies could improve efficiency in monitoring and protecting migrant workers. Moreover, Thailand currently lacks a coordinating body to consolidate migration-related policies. Many destination

countries with effective practices have established inter-agency working groups or task forces to ensure coordinated activities and maintain integrated migrant-related databases, such as Korea's employment permit system (see see Cho et al. 2018 for further information).

COVID-19 related measures added additional layers to the already complex migration systems. During the peak of the pandemic, all workers were required to undergo a quarantine process lasting 7-14 days. This requirement has been removed as vaccination rates have increased. Once cleared, workers are issued work permits and can travel to their work sites in Thailand. The Thai employer or recruitment agency must submit all documentation (passport, visa, medical clearance, e-work permit) to the relevant DOE office within 15 days of the workers' arrival. The workers are also required to check in with the relevant DOE office every 90 days throughout their stay in Thailand.

Figure 2-1 Existing MOU process with timeframe



Source: Authors 2025

Note: TRA: Thai Recruitment Agent; MRA: Myanmar Recruitment Agent; PEO: Provincial Employment Office; DOE: Department of Employment; MOL: Ministry of Labor

Migration process on the Myanmar side

The MOU-migration system involves complex review and verification steps. The process from the Myanmar government sides starts when the demand letters are sent to the Myanmar Embassy in Thailand. Myanmar government officers conduct extensive reviews and verifications of these labor demand letters, a process that requires **four steps and approvals** from the MOLIP Minister (see Annex 3). The Myanmar government agencies co-sign a labor contract with the employer, the worker, and the Myanmar recruitment agency. This signed labor contract needs four stamps from relevant government agencies in both Myanmar and Thailand to obtain permission to leave from the Overseas Worker Identification Card (OWIC) office.

This complex system may limit resources available for ensuring equitable access to MOU employment in Thailand and protecting Myanmar worker welfare. Myanmar recruitment agencies contact prospective migrant workers and submit the list of matched jobs to the relevant Myanmar government agency. Informal brokers are often involved in identifying candidates and job-matching, making the process opaque. Myanmar labor attachés primarily focus on verifying demand letters (sometimes involving visits to firms specified in the letters) and reviewing the signed labor contract package, potentially leaving little time for addressing Myanmar migrants' welfare in Thailand. In contrast, Myanmar migrant workers arriving in Korea are received by Myanmar labor attachés at the arrival airport (see Annex 1).

Job mismatches may occur because Thai employers or their representatives are not involved in the job-matching process. Instead, Myanmar private agencies and brokers manage this process. The Thai employer receives the prospective migrant name list after the labor contract package has been processed by the Myanmar government. The employer then submits an application for a 2-year work permit. The DOE subsequently sends letters to various stakeholders permitting the migrant workers to enter Thailand. Once a date is set for the border crossing, representatives of the Thai recruitment agency or the employer must travel to Mae Sot or Ranong to meet the workers (IOM, 2022).

Regularization of Irregular Migrants: National verification (NV) recruitment and process

The regularization process for Myanmar workers in Thailand encompasses both former workers whose contracts have expired and new workers who entered illegally. Under an ad hoc policy facilitated by Cabinet Decision, Thailand allows employers to bring workers to a national verification (NV) process near border areas, facilitated by the Myanmar government/embassy. Workers undergo this process to receive a new Identity Card, called Certificate of Identity (CI), and a new work permit.

The process is as follows:

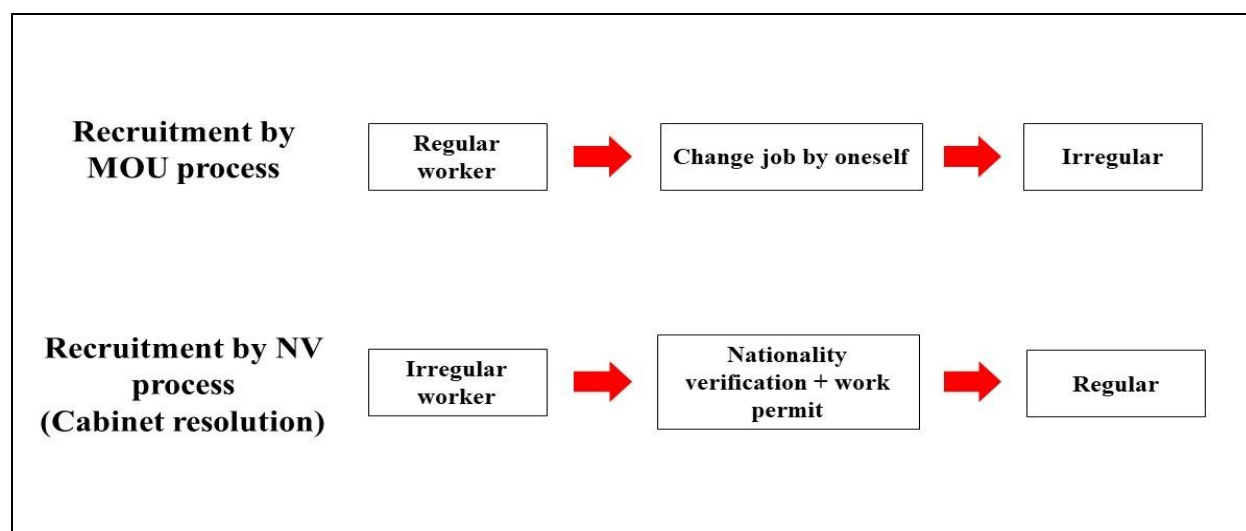
1. Employers submit a name list of workers and application form to provincial DOE.
2. Eligible workers prepare ID card and travel document.

3. They purchase a health card, undergo a medical checkup, and have Immigration biometric data collected.

Another form of regularization involves the issuance of a "pink card" to illegal and undocumented workers without an identity card, including some ethnic minority groups and children of Myanmar workers. This card indicates that they are stateless but are permitted to stay in Thailand and receive a temporary work permit valid for two years.

The status of Myanmar workers can change. MOU workers may become irregular if they changed employers without notifying the DOE or if their employment contract has expired. On the other hand, irregular workers who were registered in the NV system could become regular once they are registered in the system and receive a work permit. Figure 2-2 shows how workers switch from one status to another.

Figure 2-2 Process of switching from regular to irregular worker status



Source: Authors 2025

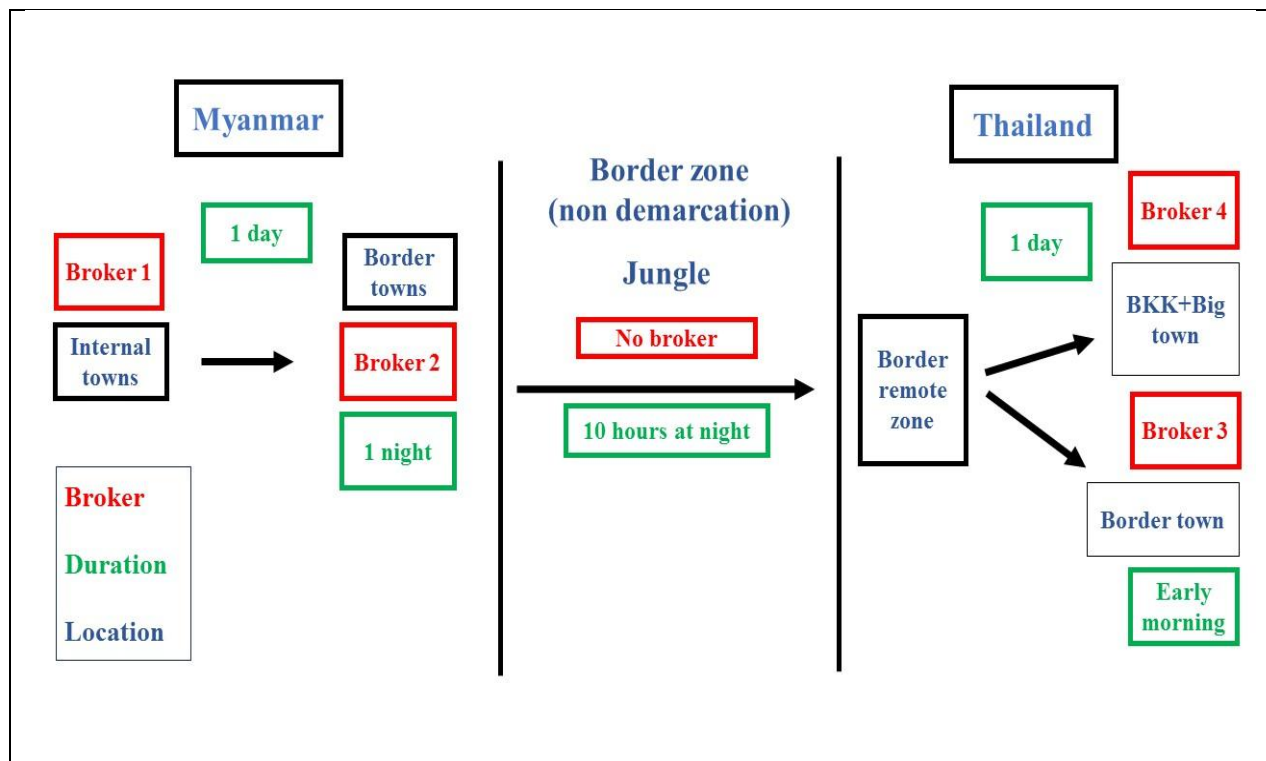
Steps in illegal border crossing for employment after COVID 19 involved multiple stages and coordination with brokers on both sides. This illegal process required the involvement of brokers on both sides and a significant amount of money in both Myanmar Kyat and Thai Baht. The process can be broken down as below (as presented in Figure 2-3):

- Step 1 - Transportation from Inner Town to Myanmar Border Town: Workers travelled from their place of origin in inner towns to a Myanmar border town, facilitated by Myanmar broker no. 1. This leg of the journey typically took a day, and there was no charge at this point.
- Step 2 - Stay at Border Town Hotel: Upon reaching the border town, workers stayed in a hotel, paying for services to Myanmar broker no. 2. They also prepared Thai Baht currency

to pay the Thai broker and waited to cross the border, typically arranged for night-time crossing.

- Step 3 - Crossing the Border: Workers crossed the border by walking through remote jungle and mountain areas for 8-10 hours during the night, facilitated by Myanmar broker no. 2. However, no broker accompanied them during this stage.
- Step 4 - Arrival in Thailand: Upon reaching the Thailand border zone in the morning, workers were picked up and transported to workplaces in Thai border towns by Thai broker no. 3. They paid for services and transport fees to this broker.
- Step 5- Transport to Inner Towns: If workers wanted to go to inner towns in Thailand, including Bangkok, transport services were provided by Thai brokers no. 4. If they had no employer in Bangkok or inner towns, another Thai or Myanmar broker no. 5 in the area would find employment for them.

Figure 2-3 *Illegal border crossing from Myanmar to Thailand: Routes and duration*



Source: Authors 2025

Migrants entering through irregular channels can regularize their status via the NV process, which involves verifying nationality, issuing pink cards, and providing CI with work permits. The pink card, established under the Registration Act of 2008, costs THG 60 and takes approximately 30 days to process, varying by District Office. It offers benefits such as domestic flight access, hotel check-ins, and certain banking services. In 2018, Thailand expanded the CI process to offer Myanmar migrants work permits, initially aiming to replace the pink card

system. However, the COVID-19 pandemic delayed this transition as the MOU pathway closed for over two years.

Regularizing status through the CI process is cheaper but time-consuming. The application fee is THB 300 THB plus a THB 10 service fee, payable at various convenience stores. Applicants need a recommendation letter from a local labor office before applying for CI at designated stations across Thailand. After CI clearance, they apply for a visa (THB 500) and receive a work permit. Changing employers incurs additional fees: a resignation letter (THB 1000) and THB 900 payable to the new employer's local labor office.

Recognizing the significant number of irregular Myanmar migrants residing in Thailand at the onset of the COVID-19 pandemic, the Thai government initiated a series of regularization schemes. At the outset of the pandemic, there were an estimated 2.78 million migrant workers in Thailand, with approximately 1.8 million from Myanmar. This included 518,321 MOU workers, 1,276,413 registered migrants who completed nationality verification, and 26,095 with border passes (see Table 1-1 below). Understanding the precarious situation these workers faced, compounded by public health concerns, the government issued several Cabinet Resolutions to regularize their status temporarily.

Table 2-1 Summary of cabinet resolutions passed during the COVID-19 pandemic

Cabinet Resolution	Number of Myanmar workers regularized	Purpose of Cabinet Resolution
December 2020	268,836	The first Cabinet Resolution passed permitted foreign workers who live and work irregularly in the Kingdom of Thailand to stay as a special case resulting from the COVID-19 pandemic. Their Thai employer was required to submit their names to the DoE and collect their personal identities, provide health checks, apply for their work permits, and request ID cards for those without Thai nationality. The workers regularized under this Cabinet Resolution are permitted to continue working in Thailand until February 2023.
July 2021	797,847	The second Cabinet Resolution was aimed at migrant workers who have work permits, but were unable to apply for a new work permit due to the COVID-19 closures.
September 2021	235,811	The third Cabinet resolution provided a second amnesty for irregular workers with the aim of controlling the spread of COVID-19 in work places with high numbers of migrant workers. Under this resolution, Government officers were deployed to worksites to take stock of migrant workers and share public health advice. Employers were then required to go through the same set of steps as the earlier Cabinet

		Resolution to register workers and obtain their work permits. Migrant workers registered under this resolution are also permitted to stay through to February, 2023.
July 2022	265,327	The fourth and most recent Cabinet resolution was aimed at MOU workers from Myanmar, Laos and Cambodia who entered Thailand during 2022. These migrant workers can continue working for no more than 2 years from the date of the ending of the original licenses. In the special case of a foreigner who has been granted permission to stay in the Kingdom, but has not yet submitted an application for renewal of the work permit before the work permit expires, if the person wishes to continue working, he/she must apply for a work permit within 6 months. The aforementioned person has to apply for the renewal of the work permit before the expiration.

Source: Department of Employment, Thailand. 2022.

The efforts resulted in the regularization of approximately 1.5 million Myanmar migrants. This figure encompasses former MOU workers, individuals regularized through previous amnesties, and irregular workers who entered Thailand during the pandemic. Consequently, the number of documented Myanmar migrants has recovered to pre-pandemic levels. However, the number of MOU workers remains at around two-thirds of the pre-pandemic level.

Access to Social Protection for migrant workers

Regular migrants have access to basic social protection (see Table 2-2). For regular migrant workers in Thailand, they currently have no access to social assistance or labor market programs. However, there are three social insurance programs that they are eligible for: (i) the Social Security Fund (SSF); (ii) the Workmen's Compensation Fund (WCF); and (iii) the Migrant Health Insurance Scheme (MHIS).

- The SSF provides injury or sickness, maternity, disability, death, child, old-age and unemployment benefits. The migrant worker contribution rate for the SSF was 5 percent at the beginning of the pandemic. To ease their burden during the pandemic, this was reduced to 3 percent from January to March, 2021 and has since further been reduced to 1percent.
- The WCF supports those who have workplace injury claims and who are not part of the SSF.
- The MHIS is a voluntary health-care scheme for migrant workers and their dependents up to 18 years of age. It is regulated by the Cabinet Resolutions and the Ministry of Public

Health's Announcement on 24 May 2019 and 10 July 2020. It is available for regular migrant workers not covered by the SSF, those who are eligible for the SSF but who have contributed less than three months to it, and migrant workers with a border pass.

Table 2-2 Access to social protection for Thai citizens, regular and irregular migrants

Benefit	Type	Portable	Qualifying benefits	Thai Citizens	Regular migrants	Irregular migrants
Injury or sickness, maternity, disability, death, child, old-age and unemployment benefits (Social Security Fund)	Social insurance	Yes	Yes	Yes	Yes	No
Workplace injury benefits (Workmen's Compensation Fund)	Social insurance	No	No	Yes	Yes (but those outside the SSF)	Yes (but only for certain sectors)
Health benefits (Migrant Health Insurance Scheme)	Universal scheme	No	No	No	Yes	No

Source: Testaverde et al. 2017

However, their actual coverage is quite low. Only 39 percent of migrant workers from Cambodia, Lao PDR, Myanmar, and Vietnam are enrolled in the Social Security Fund (SSF) and Workmen's Compensation Fund (WCF). Interviews conducted found that only a small percentage of Myanmar migrants were enrolled in the SSF. In 2019, only 9 percent of insured workers made claims to the SSF, while 2 percent made claims to the WCF, with sick leave being the most commonly claimed benefit. Additionally, only 29 percent of migrant workers purchased migrant health insurance through the Migrant Health Insurance Scheme (MHIS) (IOM 2021). Under the MHIS, migrant workers must register at a specific hospital for health screenings upon arrival and remain linked to that service provider for the entire year. This poses challenges if migrant workers change employers or move to another province. Some regular migrant workers may choose to opt out of the MHIS, especially younger individuals who perceive a low likelihood of falling ill while working in Thailand.

Reasons for low coverage include that the SSF benefits are less applicable to migrant workers. For instance, both migrants and employers alike reported that they failed to see the benefits of the SSF and the design of the SSF is ill-suited for migrants, given many of them are unlikely to enjoy the benefits provided, particularly unemployment benefits, maternity leave, family support, and the old age benefits. Nevertheless, many employers seemed reluctant to provide full information on their migrant workers' rights around the SSF. Certain sectors, like the fisheries sector, reportedly (according to the employers interviewed) do not mandate SSF

enrolment. Migrants find the 5 percent monthly contribution burdensome, despite the matching employer contribution; and some had their enrolment delayed as a result of the COVID-19 pandemic. Some local civil society actors called for reforms to improve the portability arrangements between the Thai SSF and its Myanmar counterpart. All Myanmar migrants interviewed had been provided with a health insurance card.

Given their irregular status and lack of documentation, irregular migrants have no access to the standard set of social protection benefits. Without being able to access the SSF, these workers are placed in a more vulnerable position in old age, relying on savings that have been accrued and informal support from their extended families. Meanwhile, the lack of access to the Workmen's Compensation Fund (WCF) and the Migrant Health Insurance Scheme (MHIS) places them in a more precarious position for the duration of their working life in Thailand. Many of these workers are also engaged in more risky types of work from an occupational health and safety standpoint. In 2023, MOL has set up a **Foreigners' Working Management Fund** to protect and to be used for the repatriation of foreign workers whose employment contract terminates (DOE 2023).

Chapter 3. Migration Journey and Resulting Remittances

Migration journey

The MOU migrants interviewed through qualitative fieldwork highlighted several difficulties with using this pathway. Some workers mentioned encountering significant challenges when attempting to switch employers. One worker noted that his employer was unwilling to submit the necessary documentation that would have allowed him to leave. The overall costs for the MOU process ranged from THB 15,000 to 25,000 (approximately US\$ 400 to 650), which is beyond what most prospective Myanmar migrants can afford. The cost variability depended largely on whether a broker was engaged to navigate the MOU process. Social networks especially relatives and friends on Thailand side can help reduce those service charges.

For those who borrowed funds, it typically took about 4-5 months to repay the initial sum involved in the MOU process. Sources of payments to the cross-border services are from loans created by parents or family members of workers in Myanmar. In some cases, the parents mortgaged their house to obtain the loan with a 20% interest rate. Workers sent remittances to pay back for the loan.

The duration of the process varied significantly, with the shortest time being 45 days and the longest around 90 days. There were also discrepancies between the official guidelines for importing MOU workers and the realities observed in field surveys.

Considering the expenses and administrative complexities linked with the MOU, pink card, and CI/work permit routes, numerous migrants opt to maintain their irregular status. These individuals cross borders unlawfully, often relying on brokers and other migration intermediaries. While this approach was notably more cost-effective in the past, reports indicate that during the pandemic, the fees paid to illegal brokers ranged from THB 18,000 to 30,000 (approximately US\$ 470 to 780), similar to or even surpassing the costs associated with the MOU channel (Thairath Online, 2022; Matichon Online, 2022). With a border spanning around 2,416 kilometres and numerous access points, monitoring by border authorities poses significant challenges.

Irregular migrants lack access to labor and social protections, unlike their regular counterparts, exposing them to various risks (see Table 3-1). Unlike MOU migrants, irregular migrants do not sign employment contracts and may end up in jobs different from those promised by brokers or intermediaries, leaving them with no recourse for holding recruitment agents or brokers accountable. Reports from Myanmar migrant assistance centers indicate increasing instances of migrants being deceived by brokers. During employment, irregular migrants have no means to file employment-related complaints and often hesitate to seek government assistance due to lack of awareness or fear (Harkins, Lindgren, and Suravoranon 2017; Napier-Moore 2017).

Table 3-1 Rights conferred to Myanmar migrant workers depending on status

Right	Irregular	Pink Card	NV/ Work permit	Section 64 Border Pass	MOU channel
Remain in Thailand	No	Yes	Yes	No (only short- term)	Yes
Travel across Provinces	No	Yes	Yes	No	Yes
Check into hotels	No	Yes	Yes	Yes	Yes
Obtain formal employment	No	No (not until they've obtained a Work permit)	Yes	Yes	Yes
Legally change employer	No	No	Yes (with a fee)	Yes (with a fee)	Yes (with restrictions)
Access social protection benefits ³	No	No	Yes (for certain sectors)	Yes	Yes (for certain sectors)

Source: IOM 2022 ; Testaverde et al. 2017.

Insecurity is pervasive among irregular migrants, particularly during difficult times. They face greater job and personal insecurity, exacerbated by destination countries' crackdowns on irregular migration, increasing the risk of deportation and failed migration. Changes in regulations in Thailand in 2014 and 2017 led to the dismissal of irregular migrants by employers, forcing many to return to Myanmar to avoid arrest. Irregular migrants often resort to making informal payments to local police for advance warning and to evade deportation and arrest (Thanasombat 2004; Jampaklay and Kittysuksathit 2009; Chantavanich and Vungsiriphisal 2012; Harkins, Lindgren, and Suravoranon 2017; Harkins 2019).

Irregular migrants are vulnerable during shocks, as seen more than 200,000 Myanmar migrant workers returning during the pandemic. Some 165,000 Myanmar migrants returned between March and October 2020, primarily from Thailand and China, and an additional 60,000

³ Access to social protection benefits is not universal for all CI/WP migrants, nor those who have come through the MOU channel. Instead, it depends on whether the sector they are employed in permits them to gain access to the SSF, WCF, and MHIS.

since January 2021 (AFP 2022). Many of them were factory workers or seasonal farm laborers in Thailand and returned home because of job loss. Other reasons include deportation by Thai authorities or inability to renew their work visa or other documents required to stay in Thailand.

Our interviews confirmed several trends resulting from COVID-19 impacts:

- New MOU outflows halted, pushing people to irregular channels.
- Existing Myanmar migrants experienced reduced work or job loss, particularly in sectors like open-air markets.
- Migrant workers contracting COVID-19 faced income loss during quarantine, despite SSF coverage for hospital treatment costs.
- Remittance amounts and frequency declined, with migrants sending half the usual amount.
- Employers implemented COVID-19 measures, with some workers benefiting from humanitarian assistance programs.

All migrant workers interviewed reported being affected by the military takeover, experiencing limitations on movement and facing challenges such as loss of employment and increases in the cost of living in Myanmar. Economic hardship and political instability were cited as key reasons for crossing borders irregularly into Thailand. Some young people mentioned that school closures deprived them of educational opportunities, prompting them to seek jobs in Thailand. Many relied on irregular brokers to facilitate their entry into Thailand, paying fees ranging between THB 22,000 and THB 29,000, which represented a significant increase compared to fees paid by irregular migrants before 2020. Several migrants indicated their intention to stay in Thailand longer than originally planned due to the military takeover.

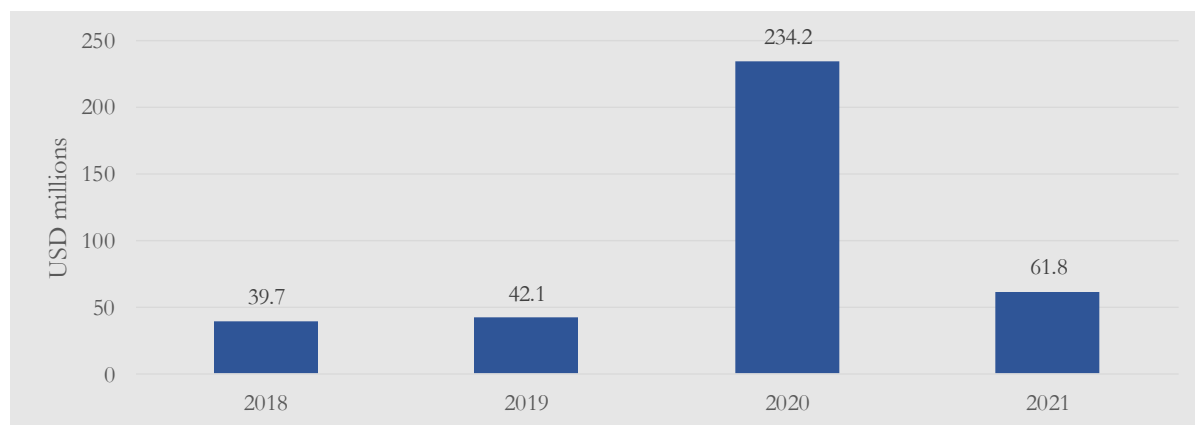
Remittance flows

Remittances were critical for the Myanmar economy, albeit sliding down. In 2022, The monitored remittances to Myanmar were USD 1.9 billion (or equivalent to 2.8 percent of Myanmar's GDP) (World Bank, 2023). Remittances have been on a downward slop, falling from USD2.67 billion in 2020 (the year before the coup) and further down USD 2.2 billion in 2021 (World Bank, 2023). Real figures are likely much higher due to the prevalence of informal flows across the Thailand–Myanmar corridor. More recent figures are unavailable for the flows between the two countries, but can be estimated based on 2018 figures. In 2018 bilateral remittance data estimates that USD 1.706 billion in formal remittances were sent, accounting for approximately 60 percent of the total flow (World Bank, 2018). Assuming the proportion of officially recorded remittances has remained the same, it is expected that USD 1.35 billion flowed from Thailand to Myanmar through formal channels in 2021 when the COVID-19 pandemic was still ravaging the country.

The actual volume of remittances within the Thailand-Myanmar corridor is difficult to estimate since much of the corridor is catered by informal channels and transfers. Data provided by the Bank of Thailand indicated that volume of remittances sent through formal

channels increased from USD 39.7 million in 2018 to USD 234.2 million in 2020. In 2021, formal remittances spiked several times higher and then declined again to USD 61.8 million (but still higher than pre-COVID flow which was USD 42.1 million in 2019) (Figure 3-1). It would be reasonable to suggest that this apparent rise in remittance sending in 2020 was caused by remittance senders changing from informal to formal channels because informal networks were disrupted as a result of the pandemic. It's likely that since COVID related restrictions have eased that these informal networks have since returned.

Figure 3-1 Remittance flows from Thailand to Myanmar



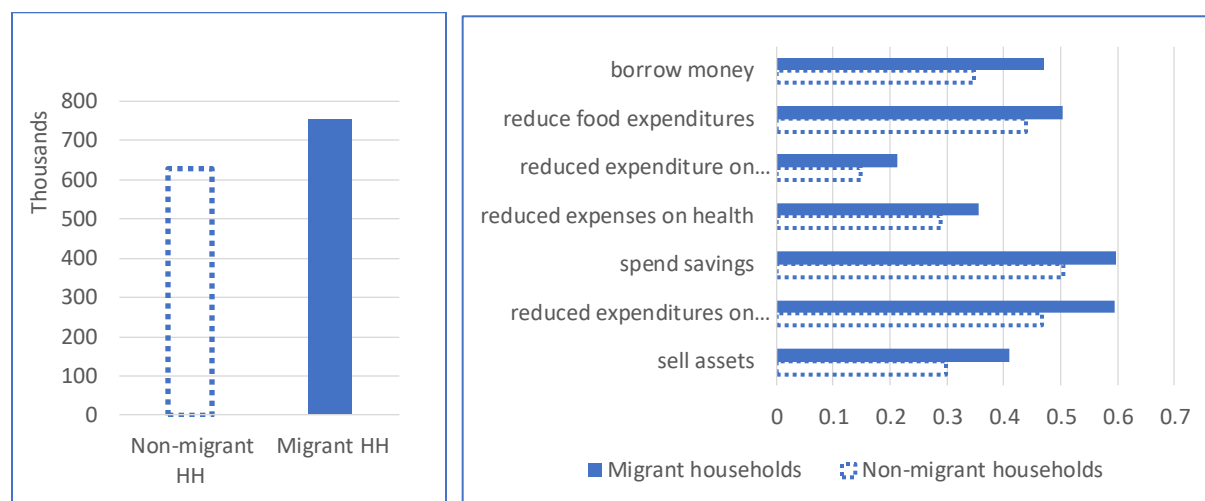
Source: World Bank 2021

Remittances through informal channels are likely to expand, owing to unfavorable remittance and tax measures put in place by the government. As remittances increasingly become a vital source of foreign exchange earnings, Myanmar has placed measures to bolster remittances through official channels, albeit at the expenses of migrants' finances. In 2023, the government mandated that Myanmar migrant workers, who migrated with the assistance of employment agencies (like MOU workers to Thailand), remit a minimum of 25 percent of their salaries abroad monthly through the officially recognized channels, applying an exchange rate less favorable than the market rate. Furthermore, it requires Myanmar nationals residing abroad to pay a flat 2 percent tax on their total foreign currency income, or up to 25 percent of their chargeable income, whichever is lower. These measures may inadvertently lead to adverse outcomes: Myanmar workers may opt for irregular, undocumented migration pathways, as well as informal channels to send money home.

Remittances are an important source of household income. According to the World Bank's household phone surveys conducted in 2023, about 5 percent of households receive international remittances. Those with remittances tend to have higher total household income compared to those without remittances. On average, the amount of remittance received over the past three months from the time of the interview amounted to US\$500. Interestingly, households receiving remittances are more inclined to reduce spending during hard times, including cuts to education

and health. Moreover, they are more likely to deplete savings and assets, and resort to borrowing money, compared to non-remittance households (Figure 3-2).

Figure 3-2 Remittance flows households in Myanmar and coping strategies during hard times



Source: World Bank 2023, based on Myanmar education phone surveys.

Remittances landscape

The remittance corridor between Thailand and Myanmar is served by a diverse set of formal and informal players. The prevalence of informal migrants, and the difficulty that they face sending remittances via formal channels has created a complex system of brokers, banks, MTOs, agents, hundi providers, and cash delivery services that are used in conjunction to move money within the corridor. This has been further complicated by the onset of the COVID-19 pandemic and recent military takeover. While the informal channels are the only option for informal migrants, documented migrants often prefer to use these channels to send remittances as they can get money to their family more conveniently or for a cheaper price.

Formal Remittance Service Providers

There are two types of formal remittance service providers which are available for sending money from Thailand to Myanmar: banks and money transfer operators (SaverAsia, 2022). As Table 3-2 summarizes, the extent of access to finance in Myanmar is far weaker than in Thailand. This implies that even if a migrant sends money home through a regular channel, the recipient may have to rely on intermediaries to carry cash.

Table 3-2 Financial access in Thailand and Myanmar

Country	Thailand	Myanmar
Number of commercial bank branches (per 100,000 adults)	12.1	7 ⁴
Number of ATMs (per 100,000 adults)	106	11.6 ⁵
POS terminal (per 100,000 adults)	1,623	55
Number of mobile money agents or similar financial services agents	-	142,102
Mobile phone penetration	180 percent ⁶	126 percent ⁷
Percentage of adults (18+) who report having an account at a formal or semi-formal financial institutions	79 percent (2018)	54 percent ⁸

Source:)Naidoo & Loots, 2020(

Banks

There are six main banks that operate across the Thailand-Myanmar remittance corridor: Bangkok Bank, Kasikorn Bank, Krung Thai Bank, Krungsri, Siam Commercial Bank (SCB), and United Overseas Bank (UOB). As table 3-2 presents, there is a significant disparity in access between Thailand and Myanmar. There are much lower number of bank branches in Myanmar and even lower number of ATMs per capita compared to Thailand. As a result, financial account ownership in Thailand is significantly higher than Myanmar.

Money Transfer Organisations (MTOs)

There are four MTOs that currently operate in the Thailand-Myanmar corridor: Western Union, Money Gram, Dee Money, and True money. In Thailand, Western Union and MoneyGram operate an agent network, whilst Dee Money and True Money are digital providers accessed online, through an app or e-wallet. On the receive side, in Myanmar, Western Union partners with KBZ Bank, CB Bank, AYA Bank, and Yoma Bank, to pay-out remittances into recipient's bank accounts. Apart from banks, customers can access remittance services in retail stores such as 7 Eleven stores, travel agents, post offices, hotels and others, contracted by the MTOs as agents.

⁴ This refers to state and private bank branches rather than 'commercial' since data in Thailand and Myanmar are not reported similarly.

⁵ Worth noting that despite the availability of these ATMs, they are not currently functioning in Myanmar

⁶ Percentage of mobile cellular subscriptions

⁷ Based on 126,022 active mobile phones per 100,000 population

⁸ Number of adults who report having an account formal institution or mobile money provider

Informal Remittances Service Providers

Hundi

Remittances sent via Hundi⁹ providers represent a large proportion of money sent across the corridor. Based on the informal nature, it is not possible to provide a definitive figure on the size of flows of remittances into Myanmar, however, anecdotal feedback (including that validated through the qualitative fieldwork) suggests that Hundi transfers remain significant.

Brokers

Brokers are commonly used in the Thailand-Myanmar corridor and take many forms. They are typically used by those who do not have access (because of a lack of documentation, geographic location, digital or financial literacy) to formal remittance services. They play an intermediary role that allows informal migrants to indirectly access formal remittance services. Based on demand-side research¹⁰, brokers typically use formal channels, such as Wave Money or bank-to-bank transfers to move money to Myanmar¹¹. When transferring money via banks, brokers would collect money from several remitters and then transfer in one large sum. This way, they can spread among multiple senders' fees that would otherwise be too high for a small-value transaction. Similarly, some brokers use Wave with a roaming Myanmar sim card, and then move money as if they are operating from within Myanmar.

Money exchanges

There are a few services that are established but informal money transfer services operate by word of mouth and social media. These companies operate stores (or counters) that do money exchange and transfer. Some of these companies also take enquiries over the phone. They post their rates online and through social media, reaching as much as 200,000 followers.

Other actors

Wave Money

Wave Money is a licensed domestic mobile financial service provider in Myanmar. It operates a network of 65,000 agents, reaching 89 percent of the country)Wave Money, n.d(.. Anyone with a mobile number and a valid national registration card (NRC) can transfer money. At the agent

⁹ Hundi definition: The Hundi type money transfer system dates back thousands of years (5,000 – 6,000 BC) to Sumerian times where merchant traders relied on trust. It is a trust-based version of money transfer that can be effective where formal channels aren't available, or individuals do not have the required identity documents to access mainstream services. The Hundi system works without the exchange or movement of currency between the people who transact. Instead, the providers keep a record of all those who send or receive money from them and pass this information through their networks.

¹⁰ FGDs and KIIs

¹¹ It should also be noted that 'broker' was sometimes used by research participants to refer to a hundi provider, which is being considered a separate channel for the purpose of this research.

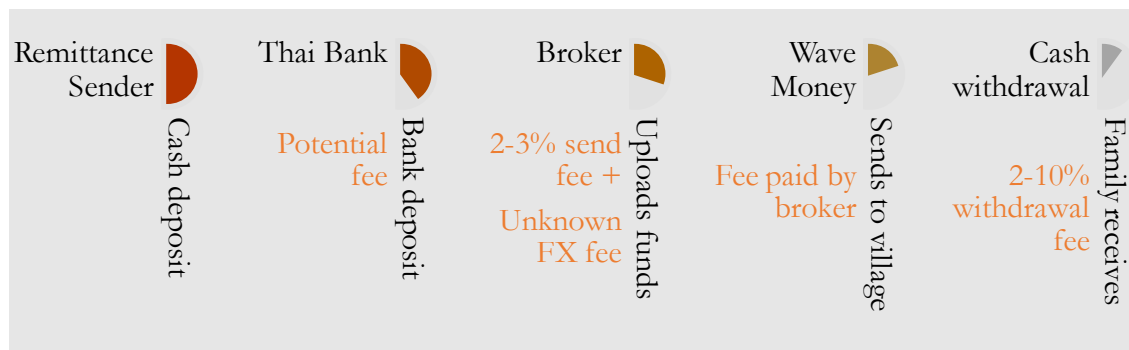
locations customers can transfer, cash-out, top-up, and make bill payments. Some of these services can also be accessed via WavePay, a mobile wallet application, which also allows free transfers to other WavePay accounts. For individuals who do not have an account, but are receiving funds, they are able to withdraw from a Wave Money agent using only their NRC, SMS with the transaction ID and a secret code provided by the sender. Where internet connectivity is effective money is available for pick up within 15 minutes. Amongst the migrant workers interviewed through the FGDs, Wave Money was often the preferred option given the vast network of distribution points in Myanmar. While Wave Money does not provide international money transfers, its network is at times leveraged by some brokers, as described below.

Sending side remittance trends

Banks play a significant role in the remittance ecosystem through the Thailand-Myanmar corridor. While the number of bank-to-bank transfers used by customers are low, banks are often used at some point in the transfer. Many migrants use mixed methods that involve formal and informal providers. Interviews conducted for this research found that migrants often used banks to transfer money home but upon closer questioning it was revealed that they were only using banks to facilitate a part of the process. Common uses included: using a broker who made a bank transfer to move the money across the border, using a bank account to deposit money to a broker who used other methods of transfers, or depositing money into the account of someone they knew near the border who would remit on their behalf.

Brokers play an important role in simplifying the remittance process and reducing costs for many remittance senders. Migrants interviewed through the FGDs suggested that sending remittances through a broker is more convenient than trying to navigate the remittance services on their own. Their knowledge of how to use the systems and websites makes remittance sending easier. Most migrants reported that they used a broker or hundi provider at some point in their money transfer process. They often provide the option of receiving the money via home delivery, which is a preference for many. While informal migrants were limited in the options available to them, migrants from both groups reported that brokered channels offered a better deal and a more convenient method (while migrants reported these channels to be the cheapest, costs remained high, between 5-15 percent total costs).

Figure 3-3 Remittance sending method and related fees



As per the data collected, 55 percent of the respondents use brokers, 28 percent said that they used banks and 10 percent said that they used mobile wallets¹². However, it is difficult to assess the types of banking services which are used by customers as most of the banks have partnerships with MTOs for sending money and customers can get easily confused between a MTO partnership service and an actual bank service. Currently, MTOs offer the cheapest services (as detailed in the previous section) and brokers are the most popular service providers.

Migrant workers find ways to use Wave Money to get their remittances home. Participants of the research found the convenience of Wave Money so effective that they sought to use the service despite challenges. Participants of the research described transferring via bank account to border villages where someone they knew could then use Wave Money to send to their recipients. Both documented and informal migrants living in border towns explained using Wave Money agents on the Thai side of the border to remit money home. Costs were reported to fluctuate over the course of covid-19 and according to the individual sending and receiving vendors. Most explained that they paid a sending fee in addition to their recipient paying a withdrawal fee.

Some reported that large international MTOs do not currently prioritize this corridor. A regional e-money provider with mobile wallets in Thailand and Myanmar explained that they are not currently focusing on operations within this corridor. The operator cited Myanmar government foreign exchange rate controls introduced in April 2022 as the main reason. In the period after the military takeover and high political instability, MTOs with payout partner networks in Myanmar were hesitant to operate and suspended their services. Western Union suspended its services and MoneyGram was open but struggled to pay out because of liquidity issues)Lih Yi & Wongsamuth, 2021(.

The informal remittance channels have traditionally provided a safe and effective means of transferring money. Whilst there have been some disruptions through the COVID-19 pandemic and Myanmar military takeover, remittance channels comprising of brokers and hundi providers had previously been operating with much greater effectiveness compared to the formal system. Some migrants even explained that these channels were more reliable and cheaper than the formal alternatives. From the demand-side research it was found that very few

¹² 17% of people did not answer this question and 7% answered that they sent through multiple channels. Hence, the percentages add beyond 100%.

people have experienced fraud or issues with their transfers not arriving when using informal channels in this corridor.

The number of actors involved in remittance sending drives up cost, particularly for informal services. Even though remittance sending is simplified for the sender, the money transfer often required multiple steps when using brokers. For example, many migrants sent their money to a broker who initiated a transfer to another party who delivered the money. Most people are being charged more than once in this process.

Challenges

There are several complex challenges in sending remittances through formal channels across the Thailand-Myanmar corridor. Money transfer operators and banks are currently facing several barriers that prevent an efficient remittance transfer and customer experience. These barriers include restrictive government policy, economic instability, geographic access for recipients, and a lack of financial access for informal workers.

Banks are difficult to access for many migrants. Informal migrants are immediately excluded because they are not able to open a bank account in Thailand. It was found from the demand-side research that to navigate this, migrants in the border town of Mae Sot would cross the border to the Myanmar side where they could send through a Myanmar bank, but each time they did this they faced the risk of arrest. As an alternative, respondents used brokers who could send remittances via banks on their behalf. On the receiving side, banks transfers are difficult to receive for recipients who do not live in cities. Migrants reported that when using this channel, they must consider the additional costs incurred by their recipients who must pay to travel into the city to collect the money. Myanmar has a low number of ATMs and bank branches per capita (as detailed in table 3-2) (International Monetary Fund, 2019). Furthermore, low bank account ownership and low levels of financial literacy in Myanmar makes this method of remittance sending and receiving difficult for many.

The ongoing effects of the military takeover have resulted in several policy changes since February 2021, causing a degradation of trust in the formal channels. Since the Junta overtook the government of Myanmar, it has enacted several policies that restrict the flow of remittances into the country. These changes have made certain remittance practices more difficult in addition to broader economic challenges that have made remittance sending, foreign exchange and cash withdrawal, less reliable. Using formal remittance channels has led to a poor customer experience and ultimately a lack of trust in these systems, forcing remittance senders to explore other options.

In the immediate aftermath of the military takeover there were internet curbs, mass protests, and closed bank branches (Lih Yi & Wongsamuth, 2021). While some of these issues were resolved, other measures remained restrictive. It was reported that remittances above a certain threshold (approximately USD 3,000), were often seized or delayed because they were considered suspicious, meaning that their receipt was significantly delayed. This strict enforcement of anti-money laundering measures has affected individuals sending large sums in addition to brokers who may send remittances from several individuals in one transaction. Similarly, during the period of economic crisis, cash withdrawals were halted, either partially (above a threshold) or completely, this led to large queues at banks and families waiting up to a month to receive their cash. Interviews revealed that the army in some cases were used to dissuade people from withdrawing cash because the banks did not have enough cash, and in other circumstances it would take up to a month before cash was ready to withdraw. Recently, this has again been exacerbated with a shortage of foreign exchange because of new legislation requiring any foreign currencies to be converted into kyats within 24 hours of entering the country.

The frequent changing of Myanmar legislation makes it difficult for the Thai Government to assist or streamline the process of remittances into the country. Because the government's policy around remittances seems fluid, the Bank of Thailand and government policy makers find it challenging to create a shared strategic plan for the corridor. For effective negotiations to take place, policy makers from both countries need to coordinate and share a common vision for remittances.

Opportunities

The financial industry in Thailand is ready to embrace new technology and the opportunities it provides. Thailand is experiencing the benefits of new financial technology both for domestic payments as well as for remittances, particularly in its relationship with Singapore. The financial industry is keen to see those benefits realized in the Thailand-Myanmar remittance corridor. Thai banks interviewed for this study outlined that they have an ambition to pursue new opportunities afforded by advances in technology. The Singapore-Thailand corridor is paving the way and banks in Thailand are keen to apply the learnings, strategies, and products from this corridor to other corridors including the Thailand-Myanmar corridor. In 2021, Singapore and Thailand announced a world-first linkage of real time payment systems, allowing a new degree of efficiency in cross border payments implemented at scale (Monetary Authority of Singapore, 2021). Thai banks are planning on creating a solution in the next 2-3 years if there are suitable infrastructure enhancements in Myanmar and the will from both central banks to collaborate. This could create a similar real-time, efficient cross border payment system like the PayNow-Prompt Pay Linkage. Another application of technology is the suggestion of using e-KYC to assist with onboarding of remittance customers and thus streamline the registration process for MTO services.

Several informal migrants reported that they would use Thai banks to transfer money back to Myanmar if there was a mechanism for them to do so. Similarly, interviewees from the banks suggested a mechanism to regularize the current informal migrant workers and provide them access to formal financial institutions and remittance channels. While many appear to value the convenience of the informal services that are available, it appears that others are also keen to pursue formal methods of sending.

Demand side remittance trends

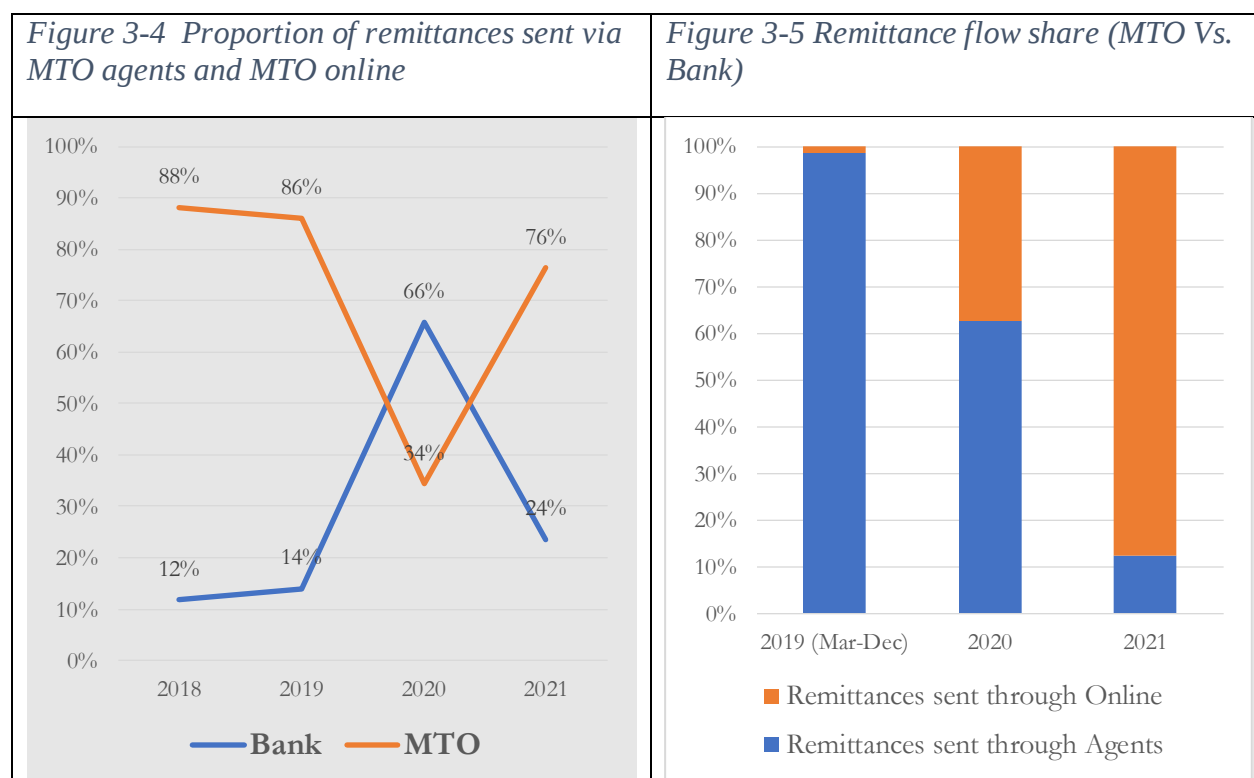
Remittance senders have a limited understanding of how foreign exchange rates (FX) affect the cost of their money transfers. Very few respondents mentioned the FX rate when outlining the cost of their remittances. Many migrants do not realize that the FX rate includes a margin or "fee" that reduces the amount received by their recipient. Searching for a better FX rate is far less common than searching for a low sending fee.

Convenience is a high priority in remittance sending. Most of the respondents stated that the reason behind choosing their specific sending method was convenience, both for the sender and receiver. There is a clear preference for services that offer home-delivery or agent-based cash withdrawal, the two most common options being hundi providers or Wave Money respectively.

This convenience also extends to the sender as many brokers and hundi providers come to the places of work of migrant workers, making it a more convenient sending method.

Remittance shopping is a limited practice. Research participants rarely mentioned that searching for the lowest cost remittance method was part of their regular practice. It seemed most only sought to use a different remittance method when their service became unavailable, unreliable, or cost prohibitive. Only one respondent described that they asked multiple brokers each time to find the lowest price when they sent money home. The primary drivers of choice were access and convenience.

Remittance sending habits changed dramatically during COVID-19. According to data provided by the Bank of Thailand, banks constituted less than 15 percent of the total transactions through formal channels for 2018 and 2019. However, during the COVID pandemic this composition changed as the use of banks increase significantly to 66 percent of the transactions through formal channels. This is correlated with the large increase in remittance flows through formal channels during the same period, implying that people began sending money via banks for the first time or in an increased capacity during the pandemic. However, remittances through banks fell again in 2021 to 24 percent.



Source: Bank of Thailand, 2022

COVID-19 was a catalyst for the uptake of digital remittance services. The above chart outlines the dramatic shift to online remittances sent via MTOs that occurred during the COVID-19 pandemic. Almost all remittances were sent in person via agents in 2019. This had fallen to 60 percent by 2020 and the trend had accelerated further in 2021 with only 11 percent of MTO remittances sent by agents in 2021.

Challenges

Remittance service providers (both banks and MTOs) described Myanmar's highly unbanked population as a major challenge. Myanmar remains primarily a cash-based economy, this is based on research participants stating their family's preference for receiving remittances in cash. If recipient families were banked and had suitable ways of spending this money digitally, then delivery and cash withdrawal fees could be reduced. Myanmar's highly unbanked population reduces the incentive for remittance operators to innovate and create new digital products because they will not be effective in a largely cash-based economy.

Opportunities

Myanmar has the infrastructure to allow efficient remittance receipt in rural areas. Wave Money has demonstrated the ease with which money can be received even in villages without access to bank branches or ATMs. The distributed agent network and mobile wallet model could be used by RSPs to reach most Myanmar recipients, if existing or new RSPs were to pursue this functionality.

Simplifying remittance portals for the sender could reduce the number of middlemen required to make a transaction. One of the reasons for brokers as identified by the respondents was that they knew how to navigate the online remittance products, whereas the senders did not. By simplifying these products and making them accessible to a wider audience of migrant workers may increase their uptake. Also, according to a study, 75 percent of the survey participants would like to access the product information in their native language (Alexika, 2020). Simplifying, and diversifying the language options of remittance products may increase the personal usage of such products.

Demand-side research has found that bank account ownership in Thailand is increasing. Bank account penetration (especially online banking) is now very high in Thailand, and this is supporting growth of bank-to-bank transfers. While bank account ownership and use in Myanmar remains low, Thai banks express a keenness to be able to partner with non-bank partners in Myanmar, especially mobile money network agents that are more widely available in rural locations.

In conclusion, remittance sending from Thailand to Myanmar are operated through both regulated and unregulated remittances sending services providers. Regulated services are banks, Western Union and MoneyGram. Unregulated ones are Hundi, Wave Money and brokers. Estimation of flows cannot be made easily due to the unknown amount of remittances by the unregulated ones. In 2019, UNICEF indicated an amount of USD 2.9 billion remitted through the regulated channels to Myanmar, Laos and Cambodia (UNICEF 2019). Given the MM workers are the biggest group of workers with approximately 70% of all migrant workers in Thailand, an amount on USD 2 billion should be from Myanmar group. To enhance affordable and safe

remittance sending, workers can transfer the money back to Myanmar through the available Thai banks online services.

Chapter 4. Employers' Hiring Experiences of Myanmar Workers and Evaluation of Thailand's Recruitment Systems

This chapter focuses on the experiences and perceptions of Thai employers in recruiting Myanmar migrant workers through the MOU and NV channels. As detailed in the previous chapters, since 2017, Thailand has revamped its migrant worker recruitment methods to ensure a more formal and ethical approach. This shift was primarily through bilateral agreements with neighbouring countries, including Myanmar, Cambodia, and Lao PDR. In addition to the more ad-hoc amnesties and National Verification (NV) regularization process, Memorandums of Understanding (MOUs) were signed to offer a legal pathway for migrant workers. Nevertheless, our findings are consistent with previous studies which have highlighted costs and barriers faced by prospective migrant jobseekers through the MOU stream, which in turn compel them to use irregular channels to enter Thailand (see UN thematic working group on migration in Thailand 2019, p.31). A survey conducted by the ILO in 2020 found that only 36% of the sampled migrant workers entered Thailand through official channels (34% via MOU and 2% border pass), while 30% were regularized through the NV process and 34% were undocumented (ILO 2020, XIV). Migrant workers who entered through the regular channels and those who used recruitment agencies or brokers further incurred higher recruitment costs (ILO 2020, XIV).

Like elsewhere, the COVID-19 pandemic brought about unforeseen economic challenges in Thailand. The recruitment of migrant workers was disrupted due to border closures. A survey undertaken by the Department of Employment (DoE) highlighted the agriculture, livestock, construction, hospitality services and garment manufacturing sectors faced labour shortages (Charoensuthipan 2021). The survey also found a strong demand for migrant workers from Thai employers, with a preference for Myanmar nationals (Charoensuthipan 2021). Due to limited government capacity, including the slow processing of foreign nationals in the border quarantine centres, the MOU channel was suspended from January 2021 to April 2022, drastically reducing the inflow of migrant workers into Thailand (Mekong Migration Network 2023, pp.19-20).

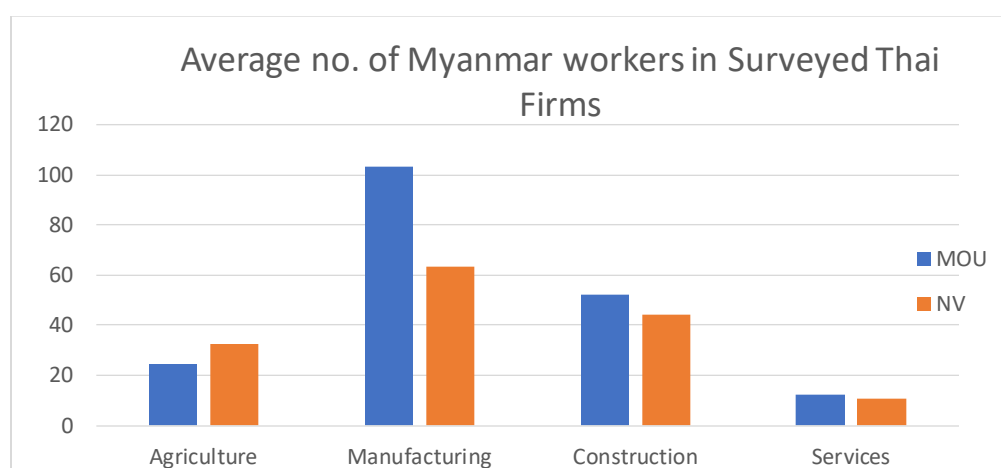
For migrant workers who remained in Thailand, regularization through a series of Cabinet Resolutions was launched to register undocumented workers, as well as to extend and re-regularize the status of those documented whose visa and work permits were expiring or had expired (ILO 2020; ILO 2021). Between January 2021 and June 2022, the number of MOU workers reduced by 36% while the number of migrant workers regularized in Thailand increased by 22% (Mekong Migration Network 2023, p.22). The MOU mechanism resumed in May 2022 together with the lifting of mandatory quarantine. Thailand additionally established One-Stop Service Centers (OSS) for nationality verification and work permit issuance during the COVID-19 period.

The following sections presents findings from our survey in the 2023 post-COVID with 450 Thai firms on their experiences and perceptions of hiring Myanmar migrant workers. Employers were also asked to evaluate the MOU and NV migration stream and identify areas for improvement.

Thai Employers' Experiences and Perceptions of Recruiting Myanmar Workers

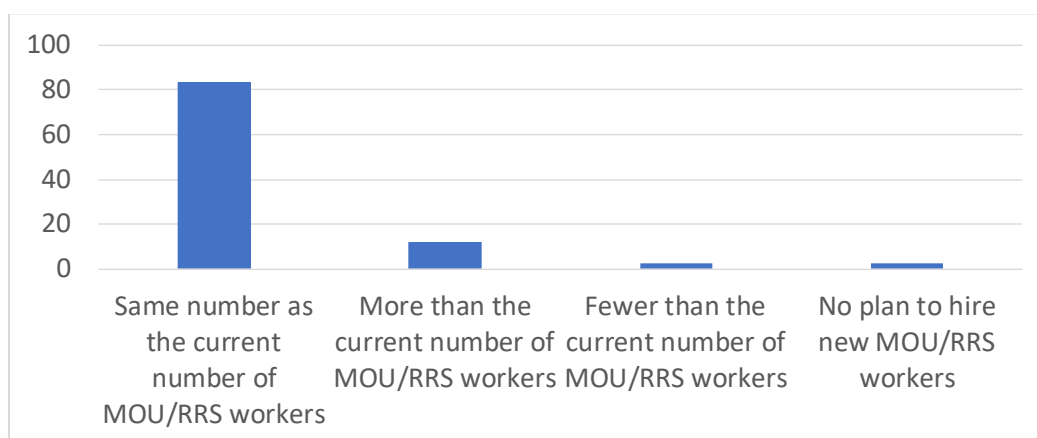
Out of the total firms surveyed, 65% recruited Myanmar workers through bilateral MOU agreements and 38% hired through NV process. Nonetheless, the average number of Myanmar workers recruited through each channel differed by sector. Notably, manufacturing, construction and services hired more Myanmar workers through the MOU, as shown in Figure 4-1. In particular, agriculture recruited more workers through the NV channel.

Figure 4-1 Average no. of Myanmar workers recruited by surveyed Thai firms by sector (%)



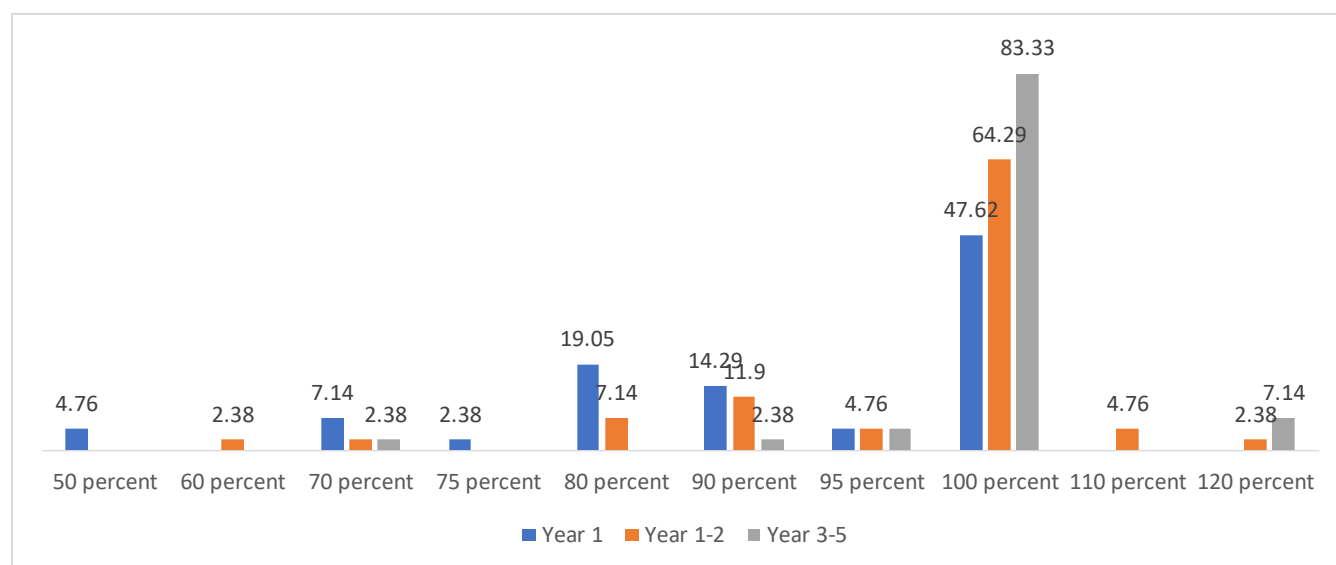
Across all sectors, employers were expecting to recruit about the same numbers of Myanmar workers (Figure 4-2). While the highest percentage of employers (17%) found in the Agriculture sector expressed that they planned to recruit more workers, employers in Services were least planning on increasing their recruitment (5%) (see Table 3-2 in Appendix). This may be indicative of post-pandemic economic recovery in different sectors; for example, Thailand's tourism industry which accounted for 20% of GDP was severely impacted by border closures during the COVID-19 pandemic (Thaicharoen *et al.*, 2022).

Figure 4-2 Forecast of demand for Myanmar workers



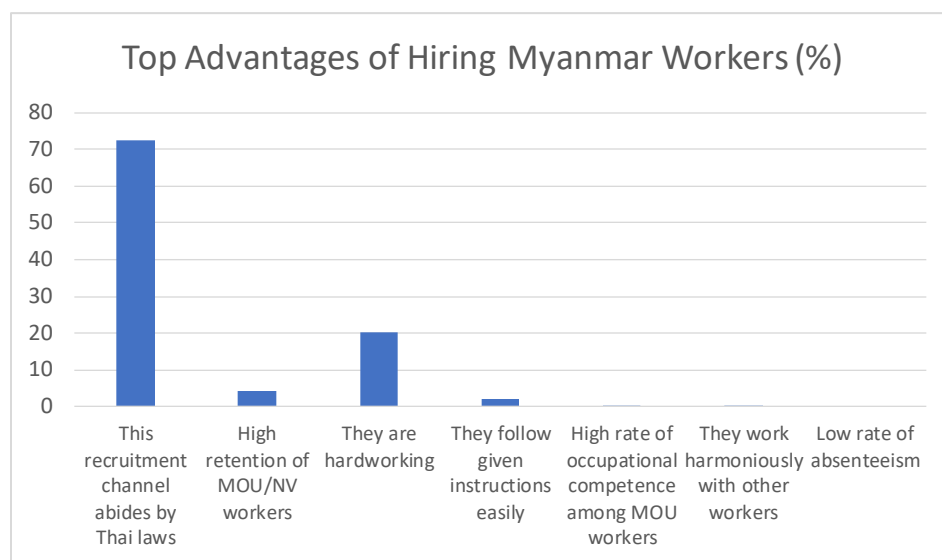
Thai employers perceived the productivity of Myanmar workers to increase with more years of employment (see Figure 4-3). The productivity of Myanmar workers is thought to be comparable to Thai workers for those with 3-5 years of work experience, suggesting that the long-term retainment of migrant workers is considered as beneficial by Thai employers.

Figure 4-3 Comparative output: Thai workers at 100% vs. Myanmar workers' potential output



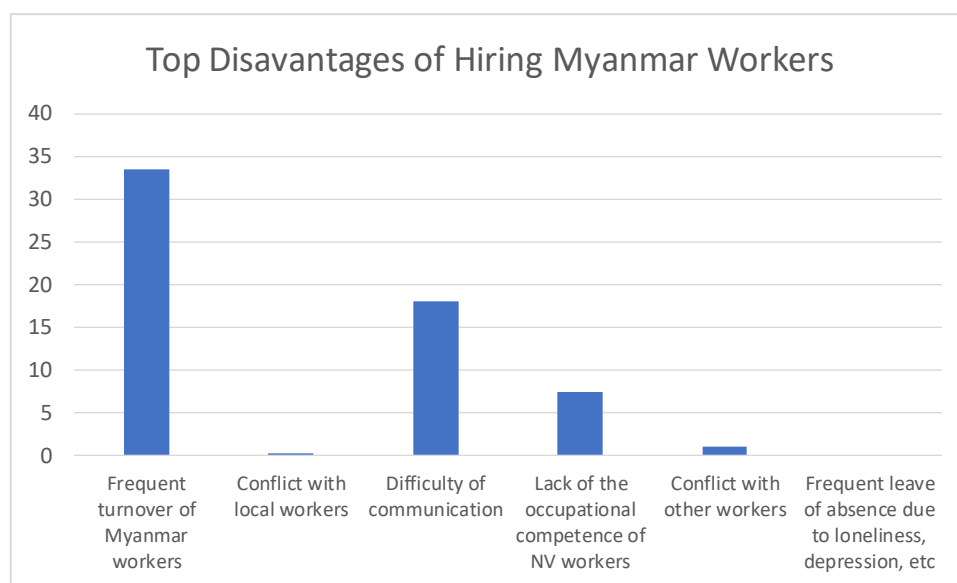
Surveyed employers were asked to list the top two advantages of recruiting MOU and NV migrant workers. **Most employers stated the top advantages of recruiting Myanmar workers as being through legal migration channels, hardworking and high retention (Figure 4-4).**

Figure 4-4 Top advantages of hiring Myanmar workers



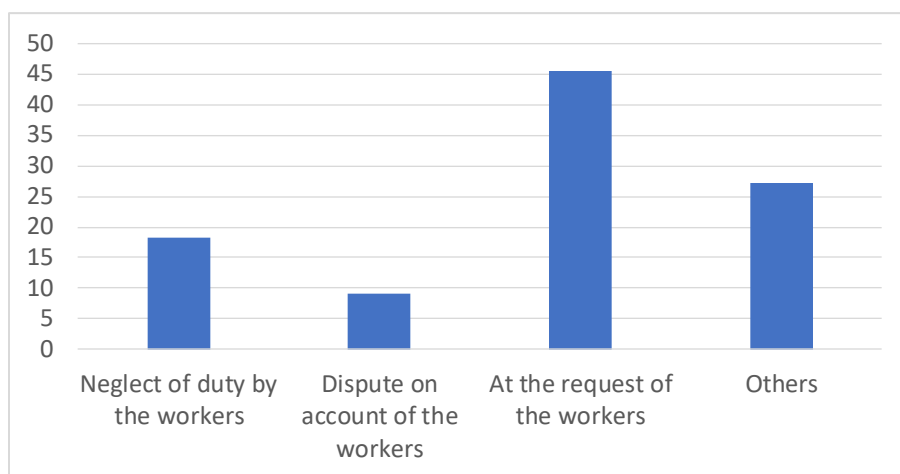
Additionally, employers were asked what they thought were the top disadvantages of recruiting MOU and NV workers. Regardless of migration streams, **frequent turnover rate, communication difficulties and lack of occupational competency were the top disadvantages associated with Myanmar workers** (Figure 4-5).

Figure 4-5 Top disadvantages of hiring Myanmar workers



Following from the above finding which suggests the frequent turnover rate of migrant workers, **employers further reported that the top 3 reasons for dismissing MOU Myanmar workers were due to workers requesting to leave their employment, neglect of duty and worker-related disputes** (Figure 4-6).

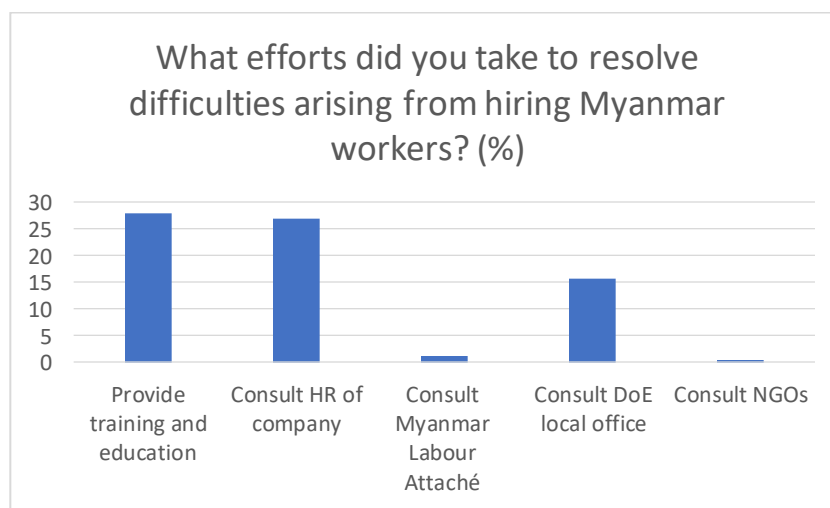
Figure 4-6 Reasons for dismissing Myanmar Workers



Although Thailand has national legislative frameworks to safeguard migrant workers' rights, migrant workers with legal status may not have easy access or be aware of their rights to file grievances at the workplaces (see Harkins and Ahlberg 2017, pp.16-17). Respondents were queried on how they addressed problems arising from hiring Myanmar workers. As Figure 4-7 shows, there was little difference between employers who recruited MOU and NV workers, with **almost a third of employers providing training and education, consulting the HR section in their companies and 16% consulted their local DoE office to resolve problem.**

The DoE has established Migrant Worker Assistance Centers (MWACs) in ten provinces in an effort to provide better access to information and assistance to migrant workers (Harkins and Ahlberg 2017, p.18). To what extent migrant workers have knowledge of accessing and seeking assistance from MWACs warrants further research.

Figure 4-7 Most significant efforts made by employers to resolve problems hiring Myanmar workers



Team-building activities can be considered to enhance the integration of Myanmar workers in Thai workplaces through improving teamwork and cross-cultural understanding. However, **64% of sampled employers stated that they rarely organized team-building activities, while 23% organized team-building activities on a monthly or weekly basis** (Figure 4-8).

Figure 4-8 Frequency of organizing team-building activities to help Myanmar workers to improve teamwork and cultural understanding.

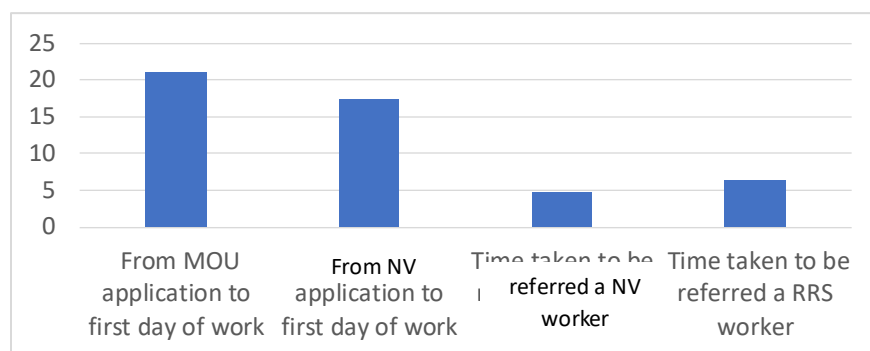


Evaluation of the Migrant Recruitment Systems in Thailand

Based on their experiences recruiting migrant workers, surveyed employers were asked to evaluate the MOU and NV migration channels. Our findings are consistent with past research which highlight that **both MOU and NV channels continue to have barriers related to time and costs from the viewpoint of Thai employers.**

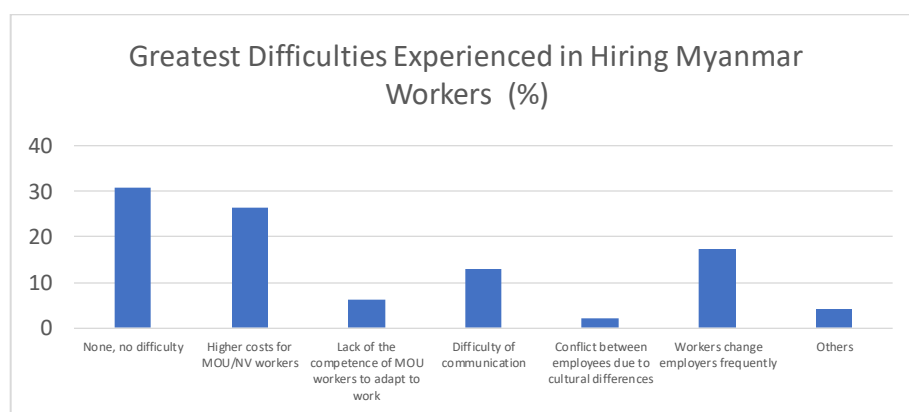
As Figure 4.9 shows, the time taken from the start of MOU application to the first day of work is over 20 days as compared to over 15 days for NV workers. Nonetheless the time taken to be referred to MOU and NV workers were under 10 days.

Figure 4-9 No. of days taken to hire Myanmar workers



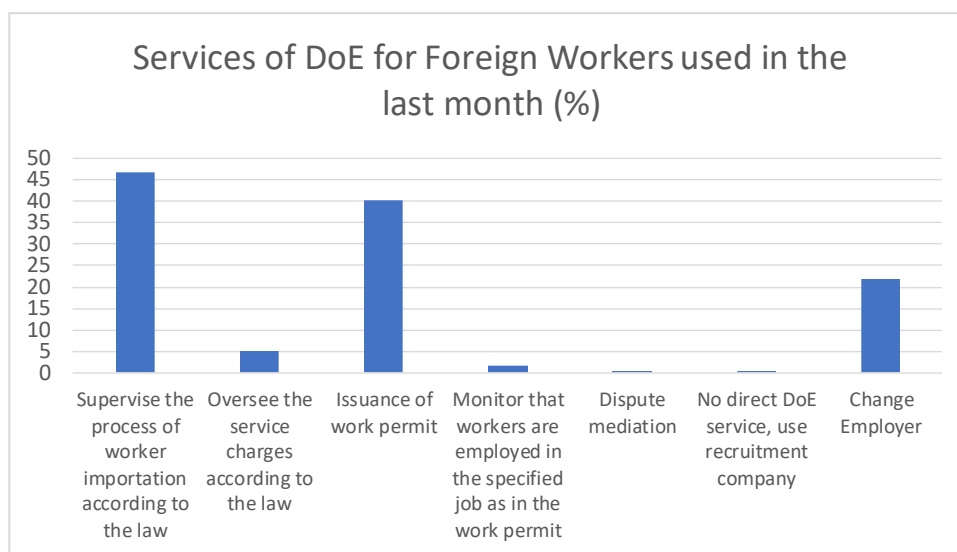
Although 20% of employers in this study reported having no difficulties when hiring Myanmar migrant workers, high costs, frequent staff turnover and difficulty in communications were listed as issues (Figure 4-10). For employers who hired MOU workers, they highlighted that there were higher costs (39%) required to recruit MOU workers and difficulty in communication (18%) (see also Table 3-3, Appendix). Comparatively, 43% of surveyed employers stated they experienced no difficulty in recruiting NV workers. But 28% stated that NV workers frequently changed employers and 14% stated higher cost involved (Table 3-4, Appendix).

Figure 4-10 Greatest difficulties experienced by employers when hiring Myanmar workers



The Department of Employment (DoE) is a key agency in the governance of migrant workers in Thailand. Employers were asked if they used the services of DoE in the past month before this survey was conducted. Around 47% of surveyed employers relied on DoE to supervise the process of importing workers and payment of service charges (Figure 4-11). These were exclusively employers who recruited MOU workers. Comparatively, the issuing of work permits and facilitating the change of employers through the DoE were used by those who hired NV workers (See Table 3-8 in Appendix).

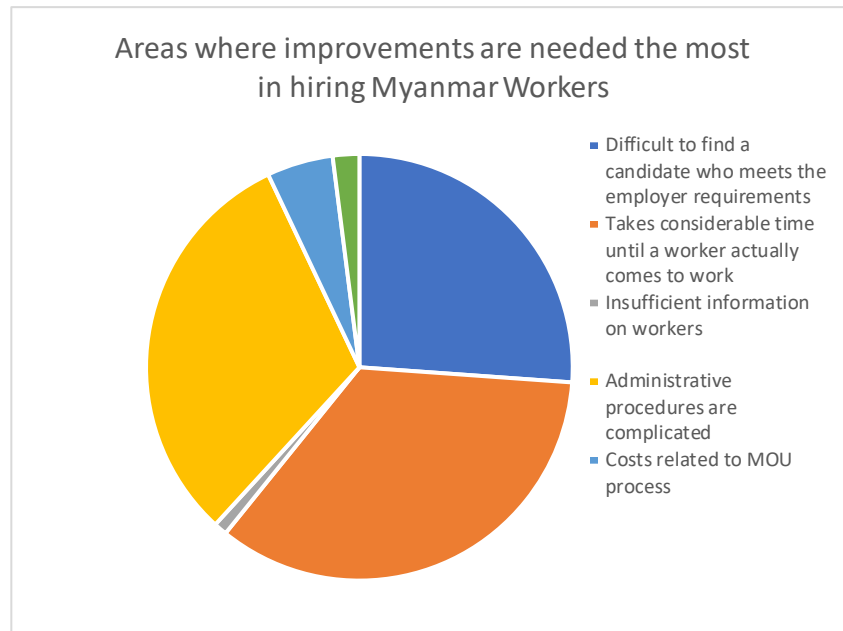
Figure 4-11 Services of the DoE for foreign workers used (in the last month).



Areas needed to improve the process of hiring Myanmar Workers

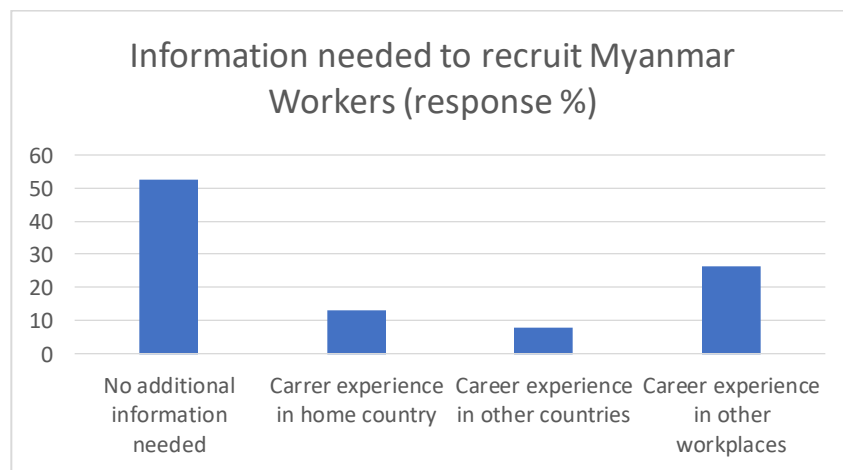
Employers identified several areas for improvement in hiring Myanmar workers. **A third of employers thought it takes considerable time before a worker is able to start and the administrative procedures are complicated.** A 2017 ILO study found poor job matching with 62% of migrant workers stating they did not have skills when they were recruited (Harkins *et al.*, 2017, p.47). Likewise, our finding shows that **from the employers' perspective, it is difficult to recruit candidates who met their requirements.** Both employers using the MOU and NV recruitment channels listed identical top three areas for improvements but in different order.

Figure 4-12 Areas identified for improvement in recruitment process.



Lastly, in terms of additional information that can improve the recruitment process, approximately half of the employers were satisfied and stated they did not require more information (Figure 4-13). Some employers however considered knowing migrant workers' previous career experience in their home country, other workplaces or other countries to be useful information.

Figure 4-13 Additional information that could be useful for hiring Myanmar workers



This Chapter has focused on Thai employers' experiences in recruiting Myanmar workers. It is evident employers continue to incur high costs and administrative barriers regardless of using the two migration streams, a finding which aligns with past studies. Considering employers perceived migrant workers' productivity to exceed that of Thai workers after 3 years, retaining a

reliable and productive migrant workforce is beneficial for Thai employers and the Thai national economy more broadly.

Retaining migrant workers in the long term can be achieved through better workplace conditions, protecting labour rights, skills training and professional development. Yet our survey findings indicate less than 40% of Thai firms carried out regular staff team building activities, and less than a third provided training and education. The low levels of skills training provided may be due to employers' reluctance to incur additional costs and time involved. To this end, the Royal Thai Government could alleviate financial burdens through tax incentives to encourage more skills training.

Findings also show that surveyed Thai employers rely on internal mechanisms to resolve disputes, such as consulting their HR section, rather than seeking external remedies, which can result in unfair assessments and migrant workers deciding to leave their employers. **Although less than half of the firms engaged with DoE services in the month prior to conducting this research, the Royal Thai government and its relevant agencies can play an important mediating role to improve employer-employee relations and working conditions, and promoting access to social security and skills development for migrant workers.**

In terms of improving the regular migration channels, Thai employers listed the length of time for recruitment, poor skills matching and administrative procedures as key areas for improvement. In overcoming some of these challenges, employers identified wanting to know workers' career experiences in other workplaces or countries, which may facilitate better skills matching.

Chapter 5. Employers' Demand for Skills on Myanmar Workers

In the vibrant Southeast Asian labor market, the interaction between Myanmar and Thailand is especially significant. As a number of Myanmar workers have historically sought employment in Thailand, it is essential to understand the changing skill requirements set by Thai employers. These evolving demands are shaping the migration and employment trends, making it critical for Thais and Myanmar workers to adapt if they wish to succeed in Thailand's job landscape. This analysis is key to ensuring that the workforce is prepared to meet the current and future needs of the Thai economy, aiding both individual career growth and broader economic development.

The future skills demand in Thailand is expected to be shaped by diverse trends, each specific to different sectors and technological advancements. Firstly, the importance of health technology is likely to increase, driven by an aging population and heightened health awareness post-COVID-19. Secondly, technological shifts and changes in trade routes may create a need for highly skilled labour and specialized skills, though disparities in technology access could lead to structural inequalities. Urban transformation and improved regional connectivity will impact the workforce, particularly in the service sector. The emergence of smaller businesses will require workers with diverse skills capable of handling multiple roles. Digital financial technology will significantly contribute to employment in the digital economy. Moreover, the use of digital technologies like Augmented Reality (AR), Virtual Reality (VR), and the Metaverse is expected to rise, along with a growing demand for eco-friendly products and export standards due to green business trends. The evolving job landscape may lead to more complex work patterns and less job stability, with work becoming fragmented into smaller tasks and subcontracting becoming more common. This could result in uncertain job security and ambiguity in employee-employer relationships, potentially weakening labour protection and fundamental labour rights. Additionally, the onset of Industry 4.0, automation, and robotics, replacing human roles in decision-making and data analysis, might decrease job satisfaction and pose risks in the digital society (Bhula-or, Taweejamsup, wantanasombut, & Poomsa-ard, 2022).

The survey aims to capture the skill demands in line with the future of work in Thailand with two segregated skills sets as listed follows:

(i) Job-relevant Skills: These are directly related to specific job functions. For example, an accountant would need to be skilled in accounting. This category covers technical skills, including computer operation, equipment repair/maintenance, and machine operation. It also encompasses soft skills, like client engagement, problem resolution, adaptability in learning, and supervisory capabilities. It also encompass a spectrum of thinking abilities—analytical, logical, intuitive, and creative—as well as problem-solving skills. These are evaluated both directly, through assessments of reading literacy, and indirectly, by gathering self-reported data on the application of these skills in everyday life and professional duties.

(ii) Socio-emotional Skills and Personality Traits: This category assesses behavioral and soft skills, such as openness to experience, conscientiousness, extraversion, and agreeableness. It also investigates hostile bias—the tendency to interpret others' actions

as unfriendly—as well as attributes like persistence, grit, and preferences in decision-making, time management, and risk evaluation.

For detailed information, see Appendix Table A 4-1 to Table A 4 -3 .

Skills sought in Myanmar Workers

This section outlines the skills that Thai employers are currently seeking in workers from Myanmar. It presents survey findings on the preferred skills for workers from both Myanmar and Thailand across various sectors, including the agriculture sector, Manufacturing, the construction sector, and Services. The survey specifically inquired about the skills that employers prioritize when looking to hire additional workers from Myanmar (Q30-a) and Thailand (Q30-b).

Overall survey suggests that the skill sets and traits required vary significantly across different sectors and between Myanmar and Thai workers. While technical skills and job-related expertise are highly valued in the construction sector and Manufacturing, soft skills like dependability and language proficiency are more emphasized in the service sector. This variation reflects the different demands and nature of each sector. The skills categories are listed follows:

(1) Ability to Speak, Read, write in Thai and Do Basic Calculations

Ability to speak, read, write in Thai and Do Basic Calculations is most valued in the service sector (28.9%) and least in the construction sector (10.0%). It indicates a higher emphasis on communication and basic literacy in roles that are likely to involve more direct interaction with customers or clients, as in services. For Myanmar workers, the preference ranges from 10.0% in the construction sector to 28.9% in Services, with an overall average of 19.0%. For Thai workers, this skill is less preferred, ranging from 3.3% in the construction sector to 12.6% in Services, with an overall average of 8.8%.

(2) Dependability, Emotional Stability, and Kindness

In Myanmar workers, these soft skills are most preferred in Services (30.4%) and least in Manufacturing (23.2%), averaging 26.7%. Thai workers show a similar trend, with the highest in the agriculture sector (24.3%) and the lowest in Manufacturing (17.4%), averaging 20.8%. This trait is most valued in Services (30.4%) and least in Manufacturing (23.2%). This could reflect the need for reliable and emotionally balanced individuals in service roles, where interaction with customers and maintaining a positive work environment are crucial. The trend is similar, with the highest preference in the agriculture sector (24.3%). This might indicate a value placed on stability and kindness in sectors that are more community and teamwork-oriented.

(3) Job-Related Skills

The highest preference is in the construction sector (48.3%), suggesting a significant emphasis on technical or specific skills required for this sector. **The lowest preference is in**

Services (37.0%), possibly due to a broader range of roles in this sector that might not all require highly specialized skills. The highest preference is in the construction sector (65.0%) is highest among Thais. This emphasizes the importance of specialized skills in sectors like the construction sector and Manufacturing, which are likely more technical and skill-intensive.

(4) Prior Work Experience

Among Myanmar workers, the highest preference is in the agriculture sector (19.6%) and the lowest in Services (3.7%), with an overall average of 12.3%. For Thai workers, the highest preference is again in the agriculture sector (15.0%) and the lowest in the construction sector (6.7%), averaging 11.2%. The trend is somewhat similar with Thais, with the agriculture sector (15.0%) valuing prior experience the most. This may reflect a reliance on experienced workers for more efficient and knowledgeable operations in sectors where practical skills are crucial.

Skills sought in Myanmar Workers for the future skills

This section provides the survey result regarding competencies that will become increasingly vital for Myanmar workers in the Thai labor market in the future. It anticipates the skills that promise to underpin future job roles and industries, preparing the workforce for upcoming advancements and technological paradigms.

The survey presents an insightful perspective on the varying skill requirements employers have for new workers, particularly focusing on Myanmar and Thai workers. Key findings from the survey are as follows:

- **Reading Ability (Q31): There's a significant requirement for reading ability across all sectors**, with the service sector placing the highest importance on it for both Thai and MOU (Memorandum of Understanding) workers. However, a notable percentage of employers in the agriculture sector and Manufacturing still prioritize Thai workers' reading skills over MOU workers.
- **Accurate Spelling (Q32):** While accurate spelling is less critical across the board, over half of the employers still prefer Thai workers who possess this skill. MOU workers are less expected to have spelling proficiency, and there's a substantial portion of employers across all sectors that do not prioritize spelling.
- **Calculations (Q33): The ability to perform calculations is highly valued, especially in the service sector** where 40% of employers expect both Thai and MOU workers to possess this skill. There's a clear preference for Thai workers' calculation skills, with a significant number of employers not considering this a priority for MOU workers.
- **Carrying Heavy Objects (Q34): This physical skill is overwhelmingly required across all sectors**, with a remarkable 80% of employers expecting both Thai and MOU workers to be capable of this. The need for this ability is relatively uniform across sectors.
- **Problem Solving (Q35): A critical skill, particularly in the construction sector where 83% of employers** expect both Thai and MOU workers to be adept problem solvers. This skill is highly regarded across all sectors, signifying its importance in the workplace.

- **Official Announcements to Customers (Q36):** The ability to make official announcements is notably important in the construction sector, with 80% of employers expecting this of both worker groups. The Services sector also places high importance on this skill, which is likely reflective of customer service demands.
- **Regular Interactions with Colleagues (Q37):** Interaction with colleagues is almost universally required across all sectors, with over 90% of employers expecting this from both Thai and MOU workers. It highlights the essential nature of workplace communication and teamwork.

Employers show a higher preference for Thai workers in skills related to language and literacy, such as reading and accurate spelling, particularly in the service sector. This could indicate a perceived proficiency in Thai language among native workers or a specific requirement of these roles. Similarly, calculation skills are more expected from Thai workers, again notably in Services, suggesting a higher demand for numerical literacy among local workers in customer-facing or transactional roles.

In contrast, **skills like carrying heavy objects, problem-solving, making official announcements, and interacting with colleagues are universally required across sectors**, indicating these competencies are equally important for both Thai and migrant workers. This reflects a baseline of physical and interpersonal skills essential for productivity and workplace harmony, irrespective of the worker's origin.

Prioritized skills among Myanmar workers

This session provides insights into the skill sets prioritized by employers across various sectors, which are vital for shaping workforce training and development initiatives. In the survey, employers were asked to pinpoint the most crucial work skills for the recruitment of additional Myanmar labour. They were presented with a list of ten diverse skills and tasked with selecting and ranking the top three in order of importance. These options spanned from language proficiency, notably the ability to read and write in Thai, to a blend of soft and hard skills. Included in this list are numerical proficiency, job-specific technical skills, communication abilities, leadership, teamwork, creative and critical thinking, problem-solving, independent work, and time management skills.

Overall, the survey indicates a requirement for skills that align with the unique characteristics of each sector (Figure 5-3). **The results highlight a pronounced focus on basic literacy skills (Thai language proficiency), numerical ability, and sector-specific technical skills across all sectors. Universally valued skills include problem-solving, independent working, and time management. In contrast, less emphasis is placed on leadership skills, signaling either a potential area for growth or a different emphasis in the workforce dynamics of Myanmar workers in these sectors.**

(1) Ability to Read and Write in Thai

The ability to read and write in Thai is considered a priority skill across all sectors, with the highest emphasis in the Service sector, where 27.4% of employers included it in their top three

priorities. The total percentage of employers who prioritize this skill across all sectors is 21.0%, reflecting the sector's interaction-focused nature and the need for effective communication with clients and colleagues. the agriculture sector, Manufacturing, and the construction sector also recognize its importance, albeit to a lesser extent. This skill's prominence highlights the necessity for Myanmar workers to navigate and adapt to the local language environment effectively. It serves not just as a communication tool but also as a means to understand workplace protocols, safety guidelines, and technical documentation. Emphasizing Thai language proficiency can significantly enhance workplace integration, safety, and productivity, especially in environments where clear communication is vital for operational efficiency and team collaboration.

(2) Ability with Calculations and Numbers

This skill is less frequently included in the top three priorities, with only 8.54% across all sectors considering it crucial. The Service sector shows a relatively higher preference at 16.29%. This skill's relevance in Service could be attributed to tasks requiring financial transactions, inventory management, or data analysis. In sectors like the agriculture sector and the construction sector, the lower prioritization may reflect the nature of work, which might rely more on physical labor and less on numerical analysis. However, the presence of this skill across sectors indicates a foundational need for basic numerical understanding, which can enhance efficiency and accuracy in tasks. It also underscores the importance of quantitative skills in problem-solving and decision-making processes, particularly in environments where data interpretation and financial literacy play a crucial role. Developing this skill can lead to better job performance, reduced errors, and improved decision-making in various professional contexts.

(3) Job-specific Technical Skills

Highly prioritized, especially in the agriculture sector (81.31%) and the construction sector (75%), this skill is considered essential by 70.03% of employers across all sectors. It reflects the importance of specialized knowledge and abilities pertinent to specific job roles, underscoring the importance of specialized knowledge and abilities in these fields. In the agriculture sector, this could involve expertise in crop cultivation techniques, pest control, and harvesting methods. In the construction sector, it might encompass skills like carpentry, electrical work, or masonry. These skills are essential for operational effectiveness and quality output in these sectors. The Manufacturing and Service sectors also place importance on technical skills, though with a slightly less emphasis, indicating the need for specific competencies relevant to these industries, such as machinery operation in Manufacturing or customer service techniques in Service. The high valuation of technical skills reflects the demand for skilled labour capable of performing specific, often complex tasks, and highlights the need for targeted vocational training and skill development programs to meet industry needs.

(4) Communication Skills

Communication skills are also valued, with more than half of the employers in the Service sector (57.03%) including it in their top three. Across all sectors, the skill is prioritized by 52.29% of employers, indicating the importance of effective interpersonal interactions. In Manufacturing, good communication is crucial for coordinating with team members,

understanding job orders, and ensuring safety in a typically fast-paced and machinery-intensive environment. In the Service sector, communication is the backbone of customer interactions, conflict resolution, and service delivery. Effective communication skills not only involve language proficiency but also encompass listening, understanding non-verbal cues, and the ability to convey information clearly and concisely. These skills are fundamental for teamwork, customer satisfaction, and overall workplace harmony. Fostering these skills can lead to improved team dynamics, increased productivity, and better customer relationships, making them a valuable asset for workers in these sectors.

(5) Leadership Skills

Leadership is deemed a top-three skill by a smaller percentage of employers, totaling 11.82%. The construction sector places more importance on this skill (15%), suggesting a need for individuals who can guide and motivate teams. The relatively lower emphasis on leadership might be attributed to the nature of roles often filled by Myanmar workers, which may be more execution-focused rather than leadership-oriented. However, in the Service sector, where customer interaction and team coordination are essential, leadership qualities like the ability to motivate, manage, and guide a team become more significant. Effective leadership skills can improve team morale, enhance productivity, and ensure a high standard of service delivery. Developing these skills can provide workers with the ability to take on supervisory roles, manage projects more effectively, and contribute to a positive and productive work environment. As such, nurturing leadership potential could be a strategic move for long-term workforce development, especially in sectors where management and coordination are key.

(6) Teamwork Skills

Teamwork is recognized by a significant number of employers, with 57.95% in the agriculture sector and 45.81% in Manufacturing considering it a top-three skill. This emphasizes the collaborative nature of these industries and the importance of being able to work well with others. These skills are particularly valued, emphasizing the need for workers who can effectively collaborate, share responsibilities, and support their colleagues. The ability to work in a team involves not just cooperating with others but also communicating effectively, resolving conflicts, and being adaptable to different roles and perspectives. In Manufacturing and the construction sector, teamwork is also appreciated, though the focus might lean more towards individual contributions to collective goals. Employers recognize that effective teamwork can lead to increased productivity, better problem-solving, and a more harmonious workplace. Training in teamwork skills can thus focus on interpersonal communication, empathy, and cooperative strategies, preparing workers to contribute positively to team dynamics and overall organizational success.

(7) Creative and Critical Thinking

Creative and critical thinking are essential skills that allow individuals to approach problems innovatively and make informed decisions. Not extensively prioritized across sectors, with the highest percentage in Manufacturing (8.39%). Overall, only 5.03% of employers consider it one of the top three skills needed. This might be due to the nature of work

in these sectors, which often requires a balance of innovative solutions and practical, analytical approaches. Employers in these sectors may benefit from workers who can think outside the box, identify new opportunities, and critically assess situations to improve processes or products. Training programs focusing on these skills could include exercises in brainstorming, scenario analysis, and strategic planning. By fostering a workforce capable of creative problem-solving and critical analysis, companies can stay competitive and adapt to changing market demands.

(8) Problem Solving

Problem-solving skills are highly valued across all sectors. Seen as a key skill across all sectors, particularly in the construction sector, where 25% of employers rank it as a top-three skill. In total, 26.69% of employers across all sectors value problem-solving abilities highly. Problem-solving involves not just the ability to identify and analyze problems but also to develop and implement practical solutions. It requires analytical thinking, creativity, and sometimes, a collaborative approach to arrive at the best solution. In Manufacturing and Service sectors, these skills are also crucial, as they contribute to efficiency, quality control, and customer satisfaction. Training in problem-solving can include techniques such as root cause analysis, brainstorming, and decision-making models, equipping workers with the tools to tackle challenges proactively and effectively.

(9) Ability to Work Independently

Valued across the board, with **27.14% of employers across all sectors including it in their top three.** The ability to self-manage and operate without direct supervision is particularly emphasized in the the agriculture sector sector (33.64%). This skill is about being self-motivated, managing one's workload, and making decisions without constant supervision. It's crucial in settings where workers are expected to manage their tasks or projects, demonstrating initiative and responsibility. In sectors like the agriculture sector and Manufacturing, this skill ensures that workers can maintain productivity even when direct oversight is limited. Training for independent work can focus on self-management, goal setting, and decision-making skills. By cultivating a workforce that is capable of working autonomously, employers can foster a more efficient and flexible work environment, where workers are empowered to take charge of their roles and contribute meaningfully to organizational goals.

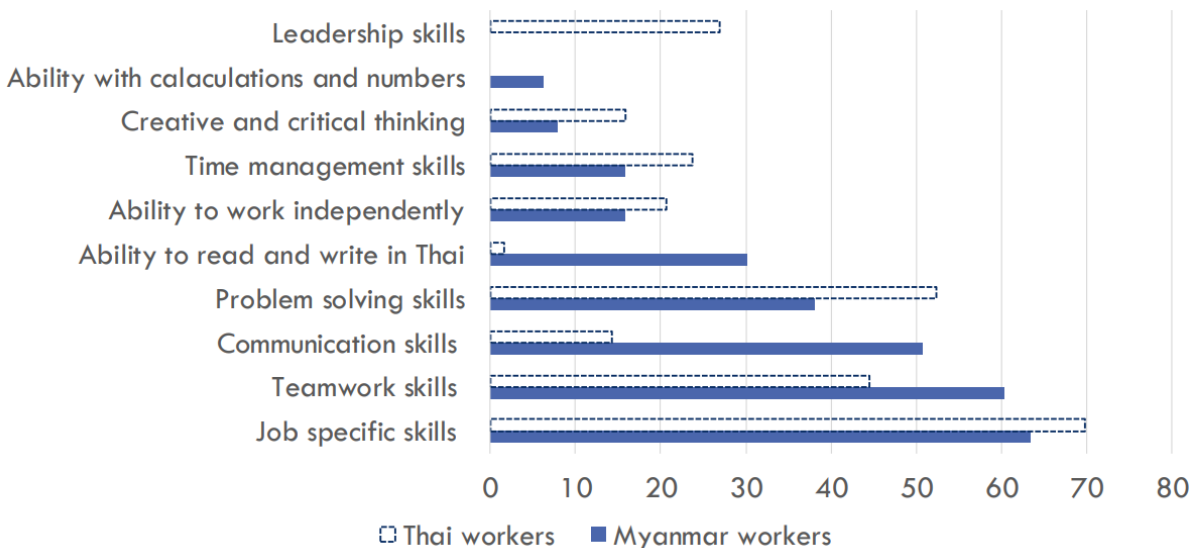
(10) Time Management Skills

Time management is a key skill in all sectors, enabling workers to efficiently allocate their time to various tasks and responsibilities. Time management is considered a top-three skill by 13.57% of employers across all sectors. The ability to efficiently allocate time to tasks is essential, especially in the Service sector (11.11%), which may involve managing multiple customer demands simultaneously. Effective time management involves planning, prioritizing tasks, and being able to work within deadlines. It is crucial for meeting project timelines in the construction sector, maintaining productivity in Manufacturing, and ensuring efficient service delivery in the Service sector. Training in time management can include techniques for setting goals, prioritizing tasks, and avoiding procrastination. Enhancing time management skills can

lead to improved productivity, reduced stress, and a better work-life balance, contributing to overall job satisfaction and performance.

Figure 5-1 demonstrates that job-specific skills and teamwork are universally important across both groups. Thai workers appear to have a higher need for skills related to language proficiency and independence. In contrast, Myanmar workers show a more significant demand for analytical and numerical skills.

Figure 5-1. Needed job-specific skills and soft skills among Thai and Myanmar workers



Source: Authors 2025

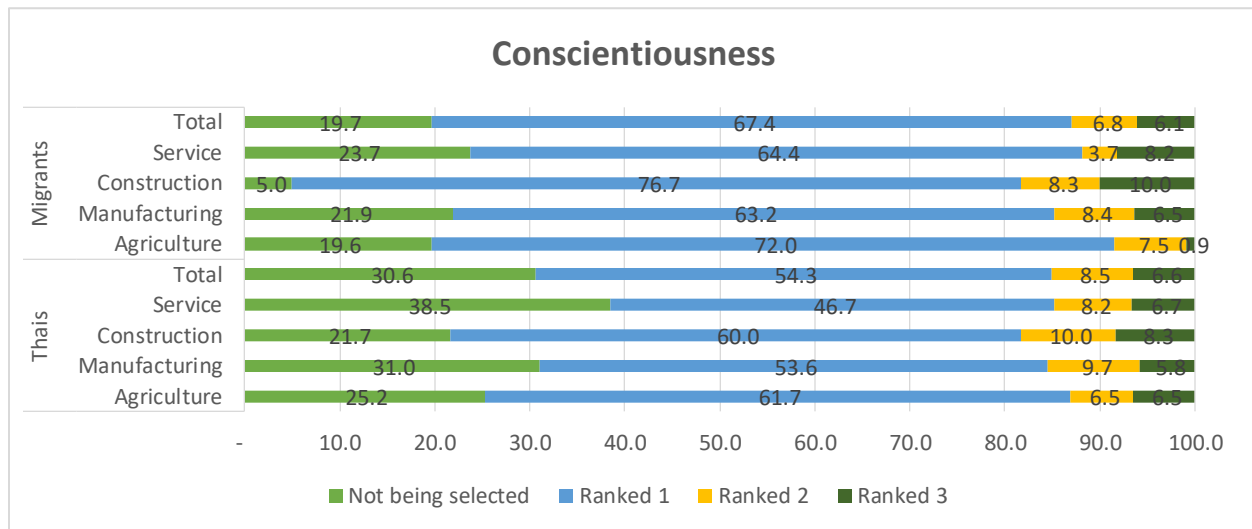
Key personality traits and characteristics that employers desire

For the key personality traits and characteristics that employers desire in Myanmar and Thai workers for potential employment, employers are asked to select and rank the top three traits in order of importance from a list that includes: the ability to efficiently and effectively handle challenging tasks, strong problem-solving and stress management skills, being polite, friendly, and forgiving towards colleagues, having excellent communication and social skills, and possessing originality and creativity. The multi-select and ordered format of the question underscores the need for a comprehensive understanding of these traits to enhance the selection process for new hires, ensuring that the workforce not only meets the technical demands of their roles but also embodies the interpersonal and innovative qualities that contribute to a positive and dynamic work environment. These traits—conscientiousness, emotional stability, agreeableness, extroversion, and openness to experience—are vital indicators of how workers are likely to integrate into, and contribute to, their respective workplaces.

- **Conscientiousness is a foundational trait that reflects a worker's reliability, organization, and work ethic.** The data suggests a higher preference for conscientiousness among Thai workers in the Service sector (38.52%) compared to

migrants (23.7%) (Figure 5-2). This could be due to the service-oriented nature of the sector, where attention to detail and a methodical approach are crucial. Interestingly, the overall percentage shows that migrants are seen as more conscientious (67.4%) than Thai workers (54.27%), which might reflect an employer bias or a genuine reflection of the work attitudes observed in migrant workers.

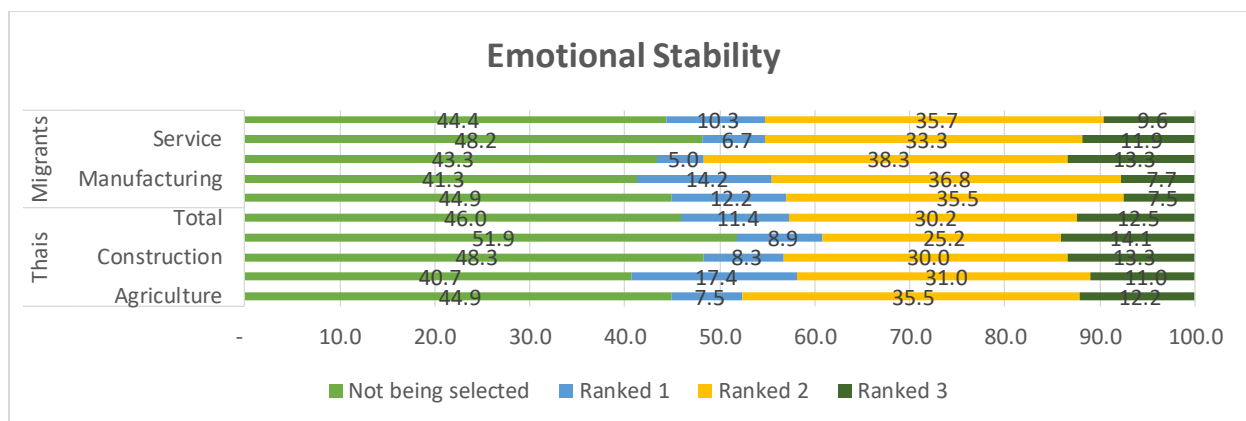
Figure 5-2. Socio-emotional skills and personality traits Required by Myanmar and Thai workers on conscientiousness



Note: Based on questions, Q39a – Q39b.

- Emotional Stability is critical in high-pressure environments where workers must maintain composure and make rational decisions (Figure 5-3).** Both Thai and migrant workers show similar percentages in the service sector, suggesting that employers value the ability to manage stress in a sector known for its unpredictability and direct customer interaction. Emotional stability in migrants is slightly less prioritized in the agriculture sector and Manufacturing but is still considered important.

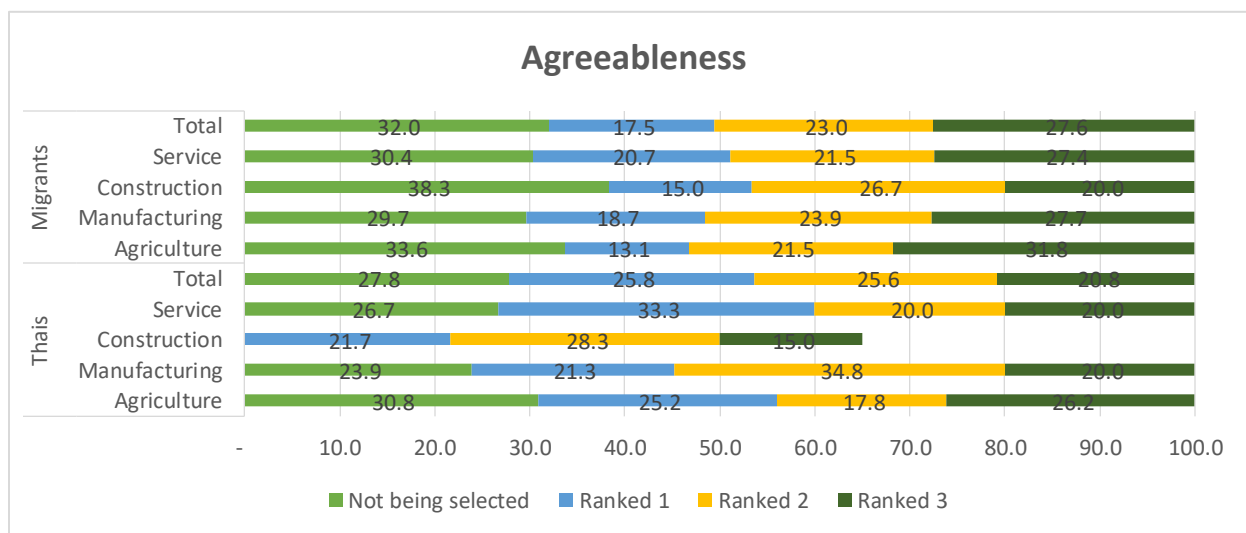
Figure 5-3. Socio-emotional skills and personality traits Required by Myanmar and Thai workers on emotional stability



Note: Based on questions, Q39a – Q39b.

- **Agreeableness reflects a worker's ability to be cooperative and amiable within a team setting** (Figure 5-4). The close percentages between Thai and migrant workers in the agriculture sector (over 30% for both) indicate the importance of a harmonious work environment where teamwork is likely essential to productivity. This trait is less emphasized in Manufacturing and Services but remains a notable factor in worker selection.

Figure 5-4. Socio-emotional skills and personality traits required by Myanmar and Thai workers on agreeable

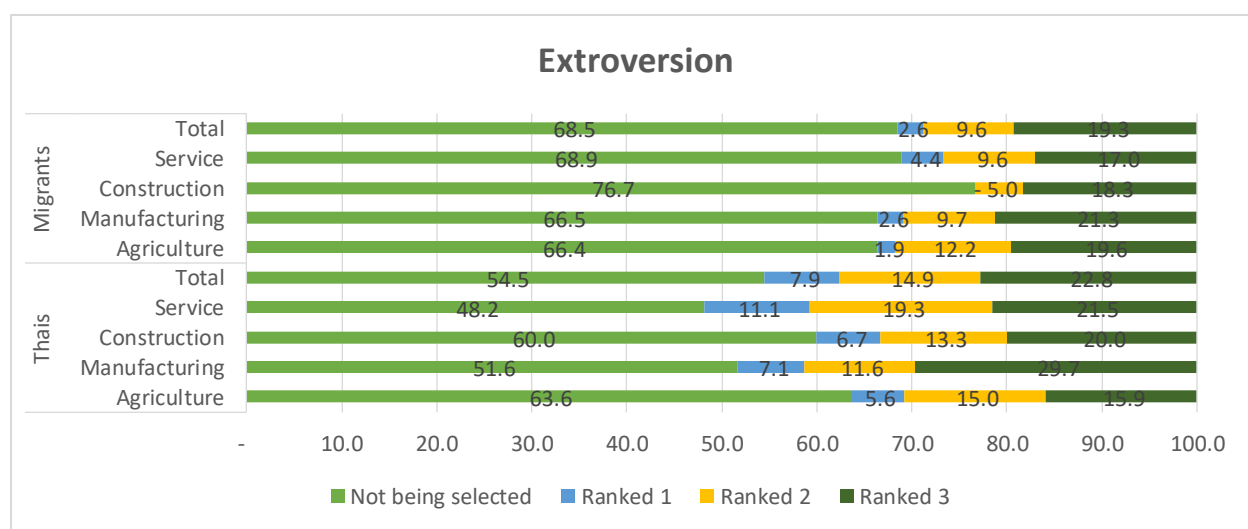


Note: Based on questions, Q39a – Q39b.

- **Extroversion is particularly valued in the agriculture sector and Manufacturing sectors** for migrants, with percentages as high as 76.67% and 66.45%, respectively (Figure 5-5). This preference might be due to the collaborative nature of these industries, where communication and assertiveness can significantly impact team dynamics and

efficiency. Interestingly, extroversion is less prioritized for Thai workers in these sectors, which may suggest different expectations or roles for Thai workers compared to their migrant counterparts.

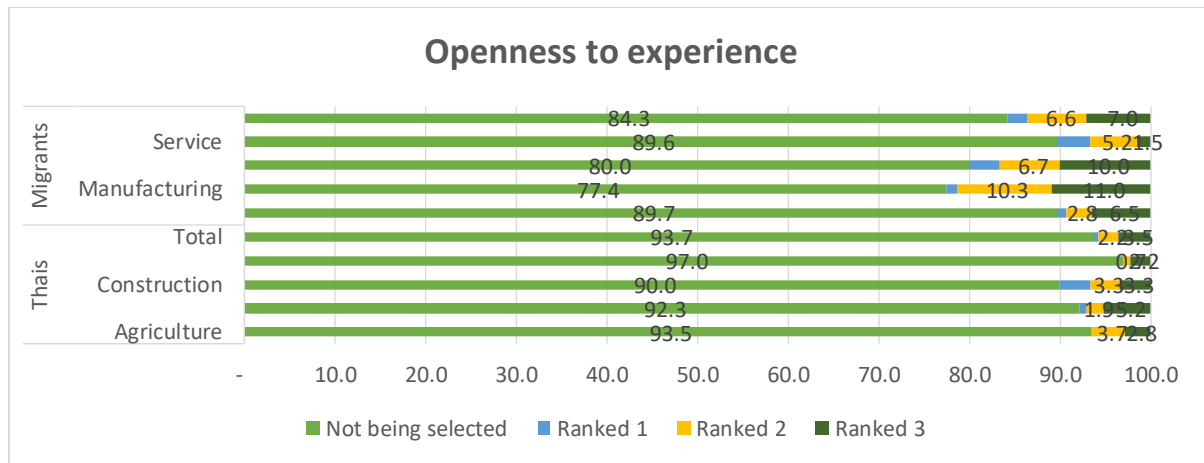
Figure 5-5. Socio-emotional skills and personality traits required by Myanmar and Thai workers on extroversion



Note: Based on questions, Q39a – Q39b.

- **Openness to Experience is overwhelmingly appreciated across all sectors for both groups, with the highest percentage in the Service sector for Thais (97.04%) and the lowest in Manufacturing for migrants (77.42%)** (Figure 5-6). This trait's importance across the board suggests a market that values innovation and adaptability, essential for keeping pace with economic and technological changes. It also implies a desire for workers who are willing to learn and grow, which is critical for sectors like Manufacturing and the construction sector, where the nature of work is rapidly evolving due to technological advancements.

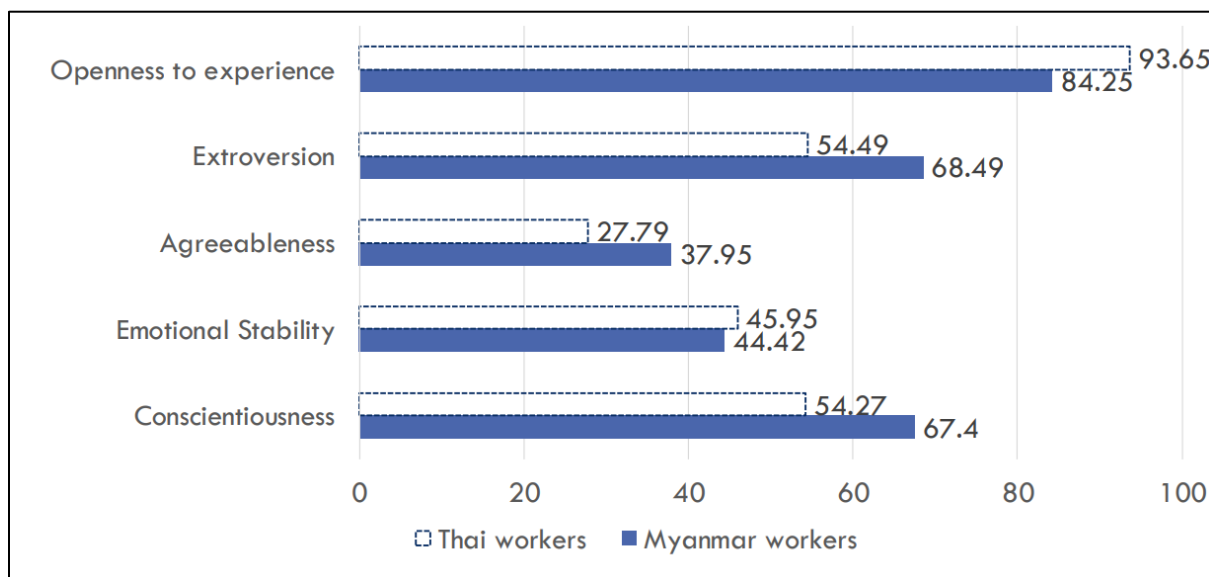
Figure 5-6. Socio-emotional skills and personality traits required by Myanmar and Thai workers on openness to experience



Note: Based on questions, Q39a – Q39b.

In conclusion, Thai employers seek a workforce that not only possesses the necessary skills but also exhibits a well-rounded set of personality traits. Figure 5-7 emphasis on these traits for Thais and migrants may reflect the specific roles these groups typically occupy or could indicate underlying cultural expectations. For instance, the heightened value placed on conscientiousness and extroversion among migrants may be a response to the demanding and often physically strenuous roles they typically fill, where diligence and teamwork are crucial. Meanwhile, the preference for emotional stability and agreeableness across various sectors highlights the universal appeal of workers capable of navigating the complexities of workplace relationships and maintaining a balanced demeanor. As Thailand continues its economic development, the demand for workers embodying these traits is likely to increase, particularly in sectors that are becoming more service-oriented and customer-focused.

Figure 5-7. Socio-emotional skill expected by employers on Thai and Myanmar workers



Regression analysis: Factors affecting higher perceived productivity of migrants

Background of the analysis

The assessment of migrant worker productivity is a complex topic that encompasses various facets of human capital development, skill enhancement, and policy adaptation. This is crucial to ensure their effective integration into the labor market, which, in turn, contributes significantly to economic growth and competitiveness. This session supports the formation of policy measures that streamline the integration of migrant workers into the labor market are essential to fully leverage their potential in bolstering the host nation's economy.

The human capital theory posits that labor productivity is intrinsically linked to workers' skills, knowledge, and experience (Becker, 1964). The human capital theory remains a cornerstone in understanding labor productivity, as it underscores the value of workers' skills, knowledge, and experience in contributing to economic performance. The OECD has provided extensive analysis on how the integration of migrants into the labor market contributes positively to the host countries' economies, highlighting the need for sectoral policies that support the recognition of foreign qualifications and skills to enhance the productivity and labor market integration of migrants. (Organisation for Economic Co-operation and Development, 2020)

In addition to technical skills, socio-emotional skills and personality traits are increasingly being recognized as critical components of human capital (Heckman & Kautz, 2012). The World Bank's 'World Development Report 2019: The Changing Nature of Work' suggests that as economies become more advanced, the demand for higher-order skills, including socio-emotional skills, increases. These skills enable individuals to be more adaptable and innovative, which are key traits in the rapidly changing labor market. (World Bank, 2019)

Conceptual framework and the variable setting for regression analysis

Figure 5-6 presents a conceptual analytical framework outlining the factors influencing the productivity comparison of migrants, specifically Thai versus foreign workers engaged in repetitive tasks. We utilize a Probit function to model binary outcomes, assessing whether a Myanmar worker's productivity exceeds that of a Thai counterpart while controlling for various factors. The dependent variable is the perceived productivity comparison, with Thai worker productivity set as a benchmark of 100. Employers are asked to rate the productivity of a Myanmar worker with 1-2 years of experience relative to a Thai worker. The outcome is binary: if Myanmar worker productivity is perceived to be less than Thai workers, it is coded as 0; if greater, it is coded as 1 (refer to Appendix 2, Table A 2-1 for detailed variables, questionnaire inquiries, and data settings).

The independent variables are structured in three main components, which are (1) firm characteristics; (2) Important occupational skill when hiring a new Myanmar worker; (3) Important Socio-emotional skills and personality, as listed below.

(1) Firm Characteristics:

This category identifies the 'Type of Industry' and 'Business Size' as primary contextual factors. These characteristics are critical as they can significantly influence worker productivity based on sector-specific demands and the resources available within firms of varying sizes.

The type of industry, categorized into agriculture, forestry, fisheries, construction, manufacturing, and service and trade, each encoded as binary variables indicating presence in that industry. Business size is another independent variable, broken down by the number of employees into micro, small, medium, and large enterprises, again encoded as binary variables. Larger firms, which often have more resources for training and development, might be at better positioned to enhance the productivity of their workforce, including migrant workers. (Lazear, 2009)

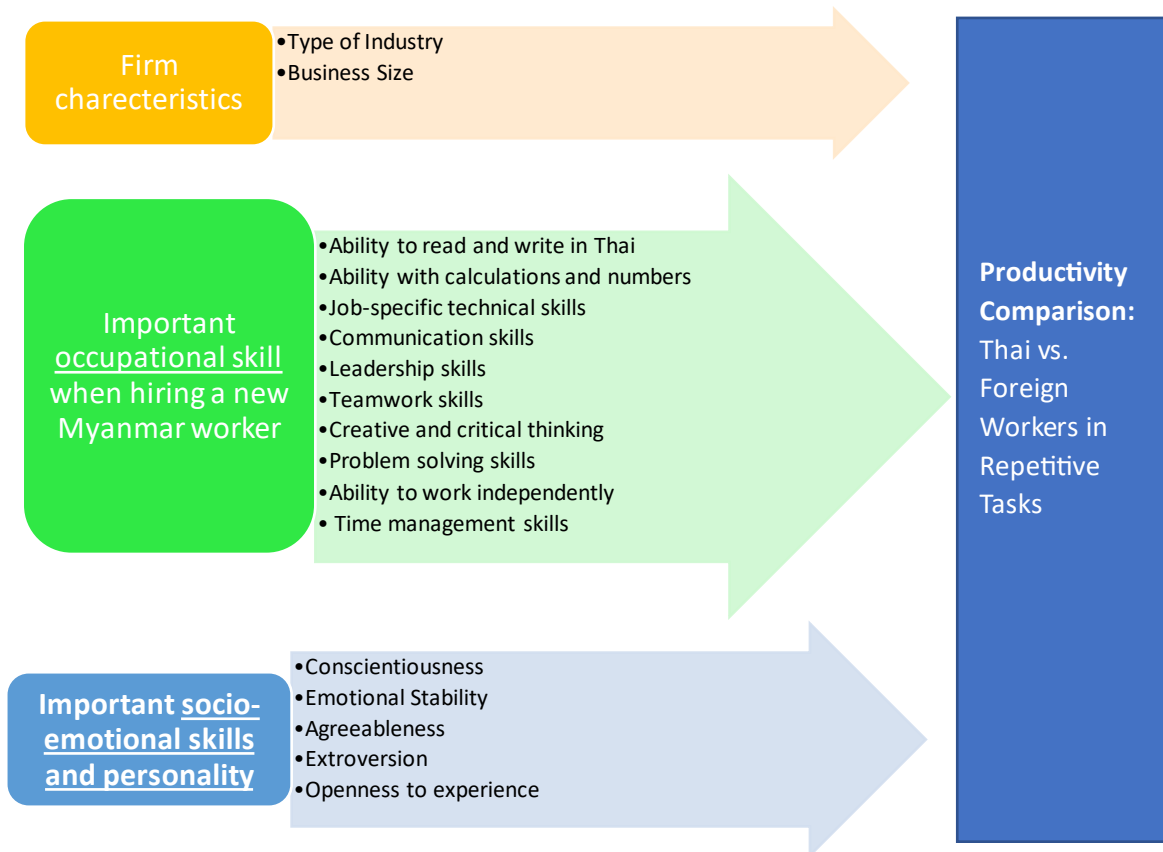
(2) Important occupational skill when hiring a new Myanmar worker

A list of ten skills deemed important when hiring new Myanmar workers represent the technical and soft skills that are considered valuable for employees, likely affecting their productivity and efficiency in the workplace. The importance of specific working skills when hiring Myanmar workers. These skills include the ability to read and write in Thai, numerical skills, job-specific technical skills, communication, leadership, teamwork, creative and critical thinking, problem-solving, independent work, and time management. Each skill is treated as a binary variable, indicating whether it was selected as important by the employer.

(3) Important Socio-emotional Skills and Personality

This section lists five socio-emotional skills and personality traits that are considered important. These traits can influence how well workers adapt to their environment, collaborate with others, and cope with job demands, which in turn can impact their productivity. The variable is drawn from employers' perception of the socio-emotional skills and personality traits, including conscientiousness, emotional stability, agreeableness, extroversion, and openness to experience. These traits are intended to capture the personality profile employers look for in new Myanmar workers, with each trait also treated as a binary variable based on its selection by the employer.

Figure 5-8. Conceptual framework of the productivity comparison of migrants



Factor associated with the perceived productivity of migrants to Thais

The dependent variable (Y) is the perceived higher or equal productivity compared to Thais. The Probit model is used to estimate binary (0 or 1) outcome variables based on one or more predictor variables. The result of the Result of the Probit regression: Factors associated with the perceived productivity of migrant workers (See Appendix Table A 4-6).

Results for total sampling

Firm size exhibits a statistically significant negative correlation with the perceived productivity of migrants relative to Thais, as evidenced by a coefficient of -0.195 when controlling for other variables. This implies that, generally, larger firms tend to perceive migrant productivity as lower compared to smaller firms. It may be inferred that smaller firms are more likely to recognize and value the contributions of migrants. Additionally, this could be indicative of smaller firms experiencing a greater shortage of skills typically provided by Thais. Proficiencies such as literacy in Thai and the ability to work autonomously, as well as ability to manage stress are significantly positively correlated with perceptions of productivity. These competencies are linked to a greater likelihood of perceiving migrant productivity as on par with or surpassing that of Thais.

Agriculture Sector

In line with the overall trend, the **agricultural sector demonstrates an even more marked negative correlation between firm size and the perceived productivity of migrants relative to Thais**, as indicated by a coefficient of -0.511. This suggests that within the agricultural industry, larger firms are viewed as significantly less productive when compared to their Thai counterparts. This observation may be attributable to the particular characteristics of agricultural work, where smaller operations are often linked with either more efficient farming practices or adherence to traditional methods that are perceived as more productive. Moreover, the ability to work autonomously and manage stress effectively are significantly positively associated with the perception of migrant productivity. These skills are indicative of a higher probability of perceiving migrant productivity as comparable to or exceeding that of Thais.

Construction Sector

In the construction sector, the regression model reveals that the variable representing **teamwork skills is significantly positively correlated with the perception of productivity**, exhibiting a coefficient of 1.633 and achieving statistical significance at the 1% level ($p = 0.009$). This suggests that in the construction industry, teamwork skills are highly valued and are strongly associated with perceptions of higher productivity in comparison to Thais. Additionally, the ability to work independently shows a coefficient of 1.442, which approaches the threshold of statistical significance ($p = 0.050$), indicating that this skill may also positively influence perceptions of productivity. On the other hand, there is a variable with a coefficient of -2.715 that is significantly negative at the 5% level ($p = 0.040$), suggesting an inverse relationship; as this factor increases, the perceived productivity relative to Thais is likely to decline.

Manufacturing Sector:

In the manufacturing sector, the regression analysis reveals that most predictor variables do not show a statistically significant relationship with the perception of productivity compared to Thais, as indicated by p-values greater than 0.05. Notably, **emotional stability stands out with a coefficient of 0.577 and is significant at the 5% level ($p = 0.022$), suggesting a positive association with the perceived productivity**. This could indicate that whatever attribute or skill this variable represents, it is strongly related to higher productivity perceptions within the manufacturing sector. The ability to take on difficult tasks diligently and effectively with a coefficient of 0.539, approaches statistical significance ($p = 0.057$).

Overall, with 155 observations, the model has achieved some degree of explanatory power, as reflected in the overall model significance ($\text{Prob} > \chi^2 = 0.0261$), but the specific factors that influence productivity perceptions are less clear, with only a few variables showing significant associations. This could reflect the complex nature of productivity determinants in the manufacturing sector, which may involve interrelated factors not fully captured in this analysis.

Service Sector:

In the service sector, a negative association between firm size and productivity perception is indicated by a coefficient of -0.306, implying that **larger service firms are often viewed as less productive when compared to their smaller counterparts or to Thai benchmarks**. On the other hand, **the abilities to read and write in Thai and to communicate effectively are positively correlated with productivity perceptions**, as denoted by a strong positive association. These skills are evidently highly regarded and considered indicative of higher productivity in the service industry. Contrastingly, **the trait of conscientiousness, characterized by a willingness to undertake difficult tasks and work diligently**, surprisingly **shows a significant negative impact on perceived productivity**, with a coefficient of -0.913. This counterintuitive finding suggests that, within the service sector, this attribute is perceived as a detractor from productivity, perhaps reflecting a preference for flexibility or other skills in service roles.

In sum, the regression analysis across various sectors reveals insightful trends regarding the perceived productivity of migrant workers relative to Thais. Larger firms consistently view migrant productivity less favorably than smaller firms, suggesting that smaller enterprises may better recognize and utilize migrant skillsets or face more significant skill shortages. **Key competencies that enhance the perceived productivity of migrants include literacy in Thai, the ability to work autonomously, manage stress, and possess teamwork skills. These skills are positively correlated with productivity perceptions, indicating their value across sectors.**

Chapter 6. Conclusion and Recommendations

Whilst the dual shocks of COVID-19 and the military takeover have created challenges for Myanmar migrants, they have also presented opportunities for reform. As the largest group of migrant's resident in Thailand, Myanmar migrant workers were severely impacted by the COVID-19 pandemic both in the immediate impacts to the Thai economy (and subsequent downturn in labor demand), as well as through the public health precautions, which closed off the MOU channel for migration for over two years. This large outflow of Myanmar migrant workers lay bare some of the shortcomings of the existing MOU system for dealing with shocks of such scale both in terms of worker protections, but also in nimbly reallocating workers and absorbing them in a timely manner once the Thai economy recovered. The Myanmar military takeover further exacerbated the situation both in creating additional challenges for prospective migrants to Thailand, as well as in creating additional barriers for remitting earnings in an affordable manner (with the series of Bank closures, seizing of transfers above a certain threshold, and temporary holds on cash withdrawals).

Moving forward, it will be critical for the Thai Government and relevant stakeholders to pursue the necessary set of reforms (as covered above) that facilitate safer migration and lower-cost remittances. This is particularly critical, given that they in many cases find themselves in a more vulnerable position after the recent military takeover. Reforming the MOU process will be an important step in bringing the large irregular flows of workers above board and permitting the Thai Government to better track migration flows and issues through this corridor. Tailoring social protection benefits to migrant workers needs will improve uptake and address many of the underlying vulnerabilities these groups face. Meanwhile, supporting the raft of reforms required to allow the Thai Government to better regulate remittances and reduce costs will place additional funds in the pockets of those individuals and households who need it most, rather than the current system which entails significant rent capture by informal RSPs. All of these reforms will require improved coordination amongst the key migration and remittances stakeholders operating in this space, many who currently operate in silos. This combined set of reforms will not only serve the interests of Myanmar migrant workers, but also serve to protect Thai employers and critical industries from excessive transaction costs and future labor shortages.

The Thai employers survey on skills sought from Myanmar worker has identified key findings as follow:

There are skill shortages in both high and low skilled segments in Thailand particularly in the following sectors with percentage of shortage : 1) elementary occupation (simple and routine job)(26%), 2) managers and professionals (21%), 3) plant and machine operators and assemblers (20%), 4) agriculture, forestry and fishery work (12%), and 5) clerical support workers (11%). The shortages are due to the fact that workers are either not qualified or not applying for the job leading to the needs for migrant workers.

There is a steady demand for Myanmar workers by Thai employers. While 84% of firms indicated to hire the same number as the current number of workers, 12% planned to hire more

than the current number and only 4% planned to hire fewer workers. 69% of employers indicated their preference for Myanmar workers and most of them found Myanmar workers met their satisfaction because they are diligent (35%) and have relevant occupational skills (27%). They could become as productive as Thai counterparts within 3-5 years of employment.

Thai employers' interactions with DOE depended on type of migrant worker status. For MOU workers, 90% of employers contacted DOE for the supervision of the process of worker importation according to the law. For NV workers, 80% of employers interacted more for work permit issuance and another 45% for change of employer. Dispute mediation and monitoring of workers employed in the specified job as to the work permit were among the lowest interaction.

Time and administrative procedures were burdens in hiring Myanmar workers. Employers also had difficulties in finding a candidate who met the employers' requirement.

Thai employers demanded experiences and skills from Myanmar worker, even if they are low-skilled. Qualification and gender are key determinants of who to hire. Employers specified a preference for male workers and for work qualification as most important. Prior work experiences were seen as more important for Myanmar workers than their Thai counterparts. Employers also expected Myanmar workers to be dependable, emotionally stable and kind.

Specific skills, teamwork skills, problem solving skills, and ability to work independently were important skills expected by employers. Ability with calculation and numbers and creative and critical thinking were not considered important. Key socio-emotional skills expected were openness to experience (84%), extroversion (68%), conscientiousness (67%), emotional stability (44%) and agreeableness (38%).

Policy Recommendations

The following section set out a series of options for facilitating safer migration and supporting lower-cost remittances through the Thailand-Myanmar corridor. These options build on the findings generated through the desk research, as well as the insights provided through the set of focus group discussions and key informant interviews carried out and focus on actions that could be taken by stakeholders on the Thailand side of the corridor.

Options for facilitating regular migration

- (1) Reforming various parts of the MOU process on the Thailand side to cater to migrant worker and employers' needs, by increasingly digitizing the MOU employment process.** The most critical is reforming the existing MOU Process, which will further incentivize regular and safe migration through the Myanmar-Thailand corridor, particularly as Myanmar and Thailand recover from the lingering effects of the COVID-19 pandemic and military takeover. The key priorities include: (i) raising awareness of the MOU amongst Myanmar communities through targeted information campaigns; (ii) shortening the approval times for

the employer's worker demand letters on the Thai side (a process, which could be facilitated by digitization); (iii) permitting workers to arrive by air in the Province where they are destined to work; (iv) shortening the time period for work permits to be issued; and (v) trimming the processing costs charged to workers (passports, health checks and work permits), where feasible. This initial set of reforms could be attained by digitizing the MOU employment process. This help to make the MOU a more attractive proposition for prospective migrant workers and Thai employers alike.

- (2) **To enhance net gains from migration, the initial contract period of the MOU migration can be expanded to 3 years from 2 years**, while maintaining the renewal possibility. This takes into account that the average employment duration with the given employer is close to 3 years. This helps ensure a stable workforce and continuous productivity – surveys show that productivity of Myanmar workers is at the minimum equal to that of their Thai counterparts in their third year of the employment. Longer contract periods reduce the frequency and costs associated with recruiting and training new workers, benefiting both employers and the overall economy by lowering operational disruptions. For workers, extended contracts promote greater job security and stability, enabling them to better integrate into the workshop and community. It also offers more opportunities to develop their skills, which can support higher quality outputs and innovation within industries.
- (3) To align fluctuations in labor demand with migration policies, **Thailand should introduce a policy promoting labor mobility for seasonal workers by expanding the scope of the existing border pass system**. The expansion would facilitate easier and more efficient movement of labor between Myanmar and Thailand. Currently there is no established regular channel for Myanmar workers to meet Thai employers' demand for periods longer than a week but shorter than two years, leading to reliance on irregular migration. Introducing seasonal labor mobility – e.g., lasting six months or less, could address critical seasonal labor shortages in agriculture, construction and other industries with seasonality, ensuring timely and adequate workforce availability during peak periods. Providing regulated pathways for seasonal workers would reduce irregular migration and enhance their welfare.
- (4) **Tailoring existing social protection programs for migrant workers and expanding access**. The existing social protection arrangements remain ill-suited for migrant workers. Whilst the Social Security Fund (SSF), Workmen's Compensation Fund (WCF) and the Health Insurance Card Scheme (HICS) are supposed to apply to regular migrant workers, the reality is that a small fraction actually access these benefits (particularly with the SSF and WCF). In many cases there is insufficient oversight to ensure employers remain compliant. In the case that workers are enrolled under the SSF, they remain unable to access the old age benefits (which kick in at age 55) and there are limited portability arrangements in place with Myanmar. For informal workers, which constitute the majority of Myanmar workers in-country, there is no protection at all. Moving forward, it will be critical to: (i) roll

out information campaigns on-site for migrant workers, so that they better understand the assistance available to them; (ii) to tailor the SSF, WCF and HICs for migrants workers rather than applying the same contribution and benefit structure as is in place for Thai citizens; and (iii) to provide additional options for protection for informal workers (providing support to formalize them and access these three existing schemes or linking them up with NGO support services, for example).

- (5) **Improving inter-agency coordination.** In order to implement the above, the existing political economy challenges that have previously prevented critical reforms in this space will need to be addressed. There will be a need for great inter-agency coordination in Thailand. There are multiple agencies involved with the oversight of labor migration policy in Thailand (MoL, the Immigration Office, MoI, and the Ministry of Public Health). Each of these currently operate largely in silos according to their mandate, which plays a role in rendering the services they offer less effective and inefficient (including creating delays for the MOU process and overseeing multiple incompatible databases covering migrant workers). A cohesive approach amongst these core agencies, which recognizes the challenges and addresses them jointly will go a long way in facilitating safer migration.

Options for supporting lower-cost remittances

- (1) **Leverage the existing network of agents and mobile money providers for more convenient remittance receipt.** Advocate for mobile money wallets to accept international remittances. Similarly, agents are now widespread in rural Myanmar and can play an efficient role in disbursing remittances. Expand dialogue with mobile money providers and banks in Myanmar focused on how to increase reach and disbursement of remittances in rural areas. Partnerships between MTOs with mobile wallets or agent networks and banks could help incentivize formal remittances by making them more convenient for receivers.
- (2) **Increase access to digital remittance services by simplifying online portals.** This will allow migrants to more easily access digital payment services that are being introduced in Thailand without the need for ‘middle-men’ who know how to navigate the services. By limiting the number of actors involved in each transfer, the overall fees can be reduced. While this has an application for all digital remittance services, it would have the most influence when applied to the banks who currently have the most complex processes.
- (3) **Intergovernmental organizations and in-country partners should increase digital and financial literacy of migrants and their families in collaboration with service providers.** A specific focus on digital payments adoption in Myanmar could facilitate the wider uptake of digital payment products in the country. Digital and financial literacy should be included in pre-departure training for migration, with an emphasis on equipping the remittance receiving family with the knowledge and skills to receive and use digital remittances. This

would further break down barriers for the sender and make more services accessible as their recipients have more methods available to them.

- (4) **Explore real time cross border payments links between the Bank of Thailand and Central Bank of Myanmar.** When the political conditions allow it, Thailand and Myanmar should consider following the example of the PayNow-Prompt Pay Linkage developed between Thailand and Singapore. Similar links are active or being developed also in several other corridors in East Asia. While a solution may remain a long way off, discussions could be initiated between both parties, paving the way towards creating innovative products.
- (5) **Communication of remittance service information should be disseminated in clear, simple Burmese language.** Banks and MTOs would benefit greatly from producing multilingual financial and product literacy (including network, pricing, and speed of transfer). Two Burmese fonts are widely used on Burmese internet browsers and web pages, and mobile apps. Any advocacy or other education program that is delivered to support the use of formal, low-cost remittance products must be readable in Zawgi and Unicode fonts. This can ensure that migrant workers using smart phones, or other digital devices will be able to read relevant information.
- (6) **Encourage clear and transparent advertisement of the fees and rates for RSPs.** Sending, receiving fees, and exchange rates should be clear, accessible, and up to date when searching for remittance providers online. Migrant workers do not clearly understand how exchange rate influences costs, by stating this clearly (for instance, reporting actual amount received on the remittance fee receipt) migrants are able to make more informed decisions. One option would be to extend the support that has been provided to a number of Champion cities and territories through the World Bank financed Project Greenback 2.0. Under this project, work has been undertaken with RSPs to promote the adoption of best practices and customer-oriented initiatives.
- (7) **Maintaining macroeconomic stability is critical for lowering remittance costs.** Macroeconomic and regulatory government policies can influence the price of remittances through their several avenues, including their impact on the cost structure of RSPs, exchange rate policies, capital controls, and the regulatory environment for RSPs. If the macroeconomic environment is excessively volatile, then it may be difficult to achieve gains on reducing the costs of remittances (even in light of some of the reforms proposed in this section).
- (8) **Establish more effective data and tracking of remittances across the corridor.** To properly understand the scale of the informal systems of transfer between Thailand and Myanmar, a large-scale quantitative survey will need to be completed. The data gathered from this research could inform direct areas of intervention and provide a holistic understanding of the remittance ecosystem.

Options for enhancing migrants' skills

Recommendations include tailored language and literacy programs with a focus on Thai language proficiency and emotional intelligence, alongside soft skills training to enhance traits such as empathy and teamwork. Most actions can be done on Thailand side. Special attention is given to numeracy development for the service sector and sector-specific technical training for the construction and agriculture sectors. Additionally, comprehensive personality development and cultural sensitivity training are proposed to adapt to evolving sector demands. There is an advantage to develop integrated training programs that combine technical skills with soft skills across all sectors. For example, technical training in construction could also include modules on teamwork and dependability. Beyond in-class training programs, apprenticeship (or on-the-job training) programs could be expanded, coupled with wage subsidies to incentivize employer participation, particularly among small and medium-sized enterprises. Effective implementation of these policies requires collaboration between governments, educational institutions, and industry partners, ensuring cultural sensitivity and adaptability in response to changing labor market needs. This can be attained through the establishment of advisory boards comprising representatives from various sectors to provide input on curriculum development and training priorities.

(1) Tailored Language and Literacy Programs

Given the significant importance placed on proficiency in speaking, reading, and writing in Thai, particularly within the service sector, it is imperative to implement language and literacy programs tailored specifically for Myanmar workers. These initiatives should prioritize enhancing reading skills and ensuring accurate spelling in Thai to meet the specific requirements of the service industry and other sectors. These programs could be administered in Myanmar, potentially through partnerships with Thai businesses or educational institutions, to ensure alignment with the demands of the job market. Moreover, they should be designed to be flexible and easily accessible, allowing for compatibility with workers' schedules. Employers could offer incentives for workers who complete these courses and on-the-job language training and support, including mentorship and language workshops. Whether integrated into existing workforce development schemes or offered as standalone courses, support from the Thai government or NGOs would be beneficial. Additionally, these programs should incorporate industry-specific terminologies and practices to further enhance the integration and effectiveness of migrant workers in their respective workplaces. Programs should offer bilingual training materials in Thai and Burmese to support Myanmar workers in improving their literacy skills while retaining their native language proficiency.

(2) Numeracy and Calculation Skills Development

The preference for calculation skills, especially in the service sector, indicates a need for numeracy development programs, which can be aimed at enhancing basic and advanced calculation skills. These should be part of the onboarding process for Myanmar workers in sectors where numerical literacy is critical. These could be part of vocational training or adult

education initiatives, offering practical math workshops tailored to job-specific needs, such as financial transactions in the service sector or measurements in construction.

(3) Emotional Intelligence and Soft Skills Training

The need for traits like dependability, emotional stability, and kindness across various sectors, particularly in Services, emphasizes the importance of soft skills training. Incorporating emotional intelligence training into workforce development programs can enhance empathy, stress management, and teamwork skills, crucial for service-oriented roles. This approach can also improve overall job performance and workplace harmony. Additionally, given the universal requirement for problem-solving and interpersonal skills, training should also focus on developing communication, teamwork, and physical fitness, especially for labor-intensive tasks. Communication skill development programs can offer comprehensive communication skills training, including modules on verbal and non-verbal communication, active listening, and conflict resolution and a course tailored to the services sector that focuses on effective customer interaction and complaint handling.

(4) Sector-Specific technical skill development

There is a significant demand for job-related skills and prior work experience, particularly in technical sectors, particularly in the construction sector and the agriculture sector. Targeted skill development programs should provide specific technical training relevant to each sector, such as construction skills for the construction sector and the agricultural best practices for the agriculture sector. For instance, the construction sector training programs can focus on enhancing job-related skills, through hands-on training and apprenticeships in a construction company, as well as improving understandings of safety protocols and regulatory compliance. Collaboration with industry experts and employers is essential to ensure up-to-date training. Establishing apprenticeships or internships with Thai companies can also provide practical experience and help bridge skill gaps.

(5) Comprehensive Personality Development Programs

The varying emphasis on traits like conscientiousness, emotional stability, agreeableness, extroversion, and openness to experience necessitates comprehensive personality development programs. These should enhance traits valued in specific sectors, such as conscientiousness and emotional stability in the Service sector. Training should focus on improving attention to detail, work ethic, stress management, and rational decision-making.

(6) Cultural Sensitivity and Adaptability Training

The importance of openness to experience across all sectors highlights the need for cultural sensitivity and adaptability training. This training should prepare workers for a market that values innovation and adaptability, crucial in sectors undergoing rapid technological changes. Both Thais and Myanmar workers should be equipped to adapt and grow in evolving work environments.

(7) Implementation and Collaboration

Implementing these policy recommendations requires a collaborative approach involving governments, educational institutions, NGOs, and industry partners. Programs should be culturally sensitive, accessible, and continuously evaluated to respond to evolving labor market needs and technological advancements.

(8) Monitoring and evaluation

To ensure alignment with evolving labor market needs and technological advancements, regular assessments are essential to evaluate the effectiveness of training programs and implement necessary adjustments based on feedback from employers and workers. Integration of training programs with labor market information systems facilitates the collection and analyses of relevant data. Furthermore, comprehensive data collection and analyses of workforce skills and employer needs are crucial to update and revise training programs in a timely manner.

(9) Skills development partnerships

Incorporating bilateral and regional consultative processes on skills partnership into the MOU and labor migration policy is essential, emphasizing preparation for future skill demands. Initiatives can begin with offering cultural orientation and language integration programs to help Myanmar workers adapt to the Thai work environment, and providing accessible information and resources on available training programs, career pathways, and support services for both Thai and Myanmar workers.

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Appendices

Appendix A. Sampling and Location of the Survey of Thai Employers

Sample size: 450 Thai firms which currently employ Myanmar workers. It excludes households employing Myanmar domestic helpers.

Timeframe: single round of data collection with fieldwork during April – July, 2023.

Provinces covered: Bangkok metropolitan area, Samut songkram, Chonburi, Surat thani, Chiang mai.

Sectors covered: agriculture and fisheries, manufacturing, construction, services and trade.



Methods, sampling and ethical approval

The survey is a cooperation between the World Bank Group and the Asian Research Center for Migration (ARCM) at the Institute of Asian Studies Chulalongkorn University Thailand. Two phases of data collection were undertaken in 2022 and 2023. The qualitative study was a desk review of existing research coupled with a body of fieldwork led by a team from Chulalongkorn University. This encompassed a series of focus discussions with key stakeholders, including: informal workers, formal workers, domestic workers, employers across key industries (construction, manufacturing, agriculture, and services), hundi operators, and recruitment agencies. In addition, a set of more targeted key informant interviews (KIIs) were carried out with Border Immigration Office, Department of Employment, Bangkok Immigration Offices, Border Taskforce army officials, Bureaus of Registration, NGOs and CSOs, informal intermediaries and brokers, as well as key stakeholders in the remittances space (the Bank of Thailand, Krungthai Bank, Kasikorn Bank, Bangkok Bank, and Wave Money). The qualitative fieldwork was carried out primarily in Mae Sot, Bangkok and its vicinities. The study obtained an IRB approval from Chulalongkorn University in 2022.

Under the quantitative survey, the research team conducted personal interviews with Thai firms that currently had Myanmar workers in their employment. The sample size encompassed 450 firms. These firms were chosen through a process of random selection to ensure a representative and nationwide cross-section. Two-stage sampling techniques used in the survey were quota sampling and stratified random sampling to cover employers in five provinces including Bangkok, Samut Songkram, Chonburi, Chiang Mai and Surattani. The selected sectors of industry were agriculture and fishery, construction, manufacturing, and services. The field

survey was conducted in Thailand during April -June 2023. Data analysis was undertaken mutually by the World Bank and ARCM using the WB Survey Solution Program.

Appendix B. Summary Characteristics of the Sampled Industry and Employers' Plans

Of the 450 sampled firms, manufacturing sector accounted for the highest (33.9%). The second were services and trade (29.5%). Manufacturing firms are mainly located in Bangkok (54.8 %) with an average number of 102 Thai and 111 Myanmar workers. with average job turnover at 6.7% for MOU workers and 28.1% for NV workers. In their recruitment, 15.0% of manufacturing employers used MOU channel for recruitment, 45.0% used NV, and 40.0% used both systems. The second largest industry which hires Myanmar workers is services and trade. Firms are mainly located in Bangkok (67.5 %) with and average number of 32 Thai and 12 Myanmar workers with average job turnover at 6.7% for MOU workers and 28.1 % for NV workers. In their recruitment, 15.0% of employers in trades and service used MOU recruitment, another 74.0% used NV, and 11.0% used both MOU&NV.

Table A-1 Summary characteristics of the sampled industries

Characteristics	Mean	% of majority
1. Size of industry		
Manufacturing		33.9
Services & Trade		29.5
2. Location		
Bangkok		35.3
Samut Songkram (vicinity)		25.6
3 Founding year		
2010-2023		46.8
2000-2009		24.1
4. MOU&NV participation		
MOU		15.0
NV		60.0
Both MOU&NV		25.0
5. No. of Thai worker by industry		
Manufacturing	102	
Services and trade	32	
6. No. of Myanmar worker by industry		

Manufacturing	111	
Services and trade	12	
7. Firm size		
Less than 10 persons (micro)		22.0
10-49 persons (small)		42.4
50-300 persons (medium)		26.0
More than 300 (large)		9.6
8. Worker's gender		
Male		71.3
9. Business plan		
Maintain status quo		60
Potential for business expansion		26

Employers' Plan to hire Thai and Myanmar workers

Overall, 71% of Thai employers reported that they had searched for Thai workers but had experienced difficulties in hiring them. The highest levels of recruitment difficulty were reported for elementary occupation (26%), agriculture, forestry and fishery work (21%) and plant and machine operator and assemblers (20%) as in Figure A-1 and A-2.

Figure A-1 Occupation with highest levels of recruitment difficulties

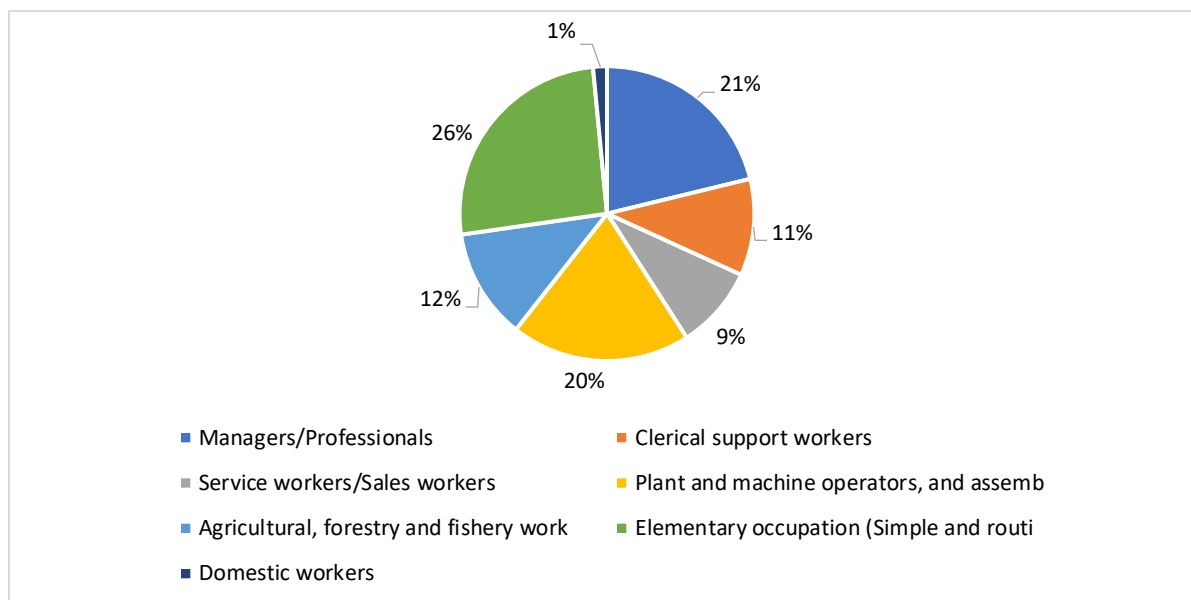
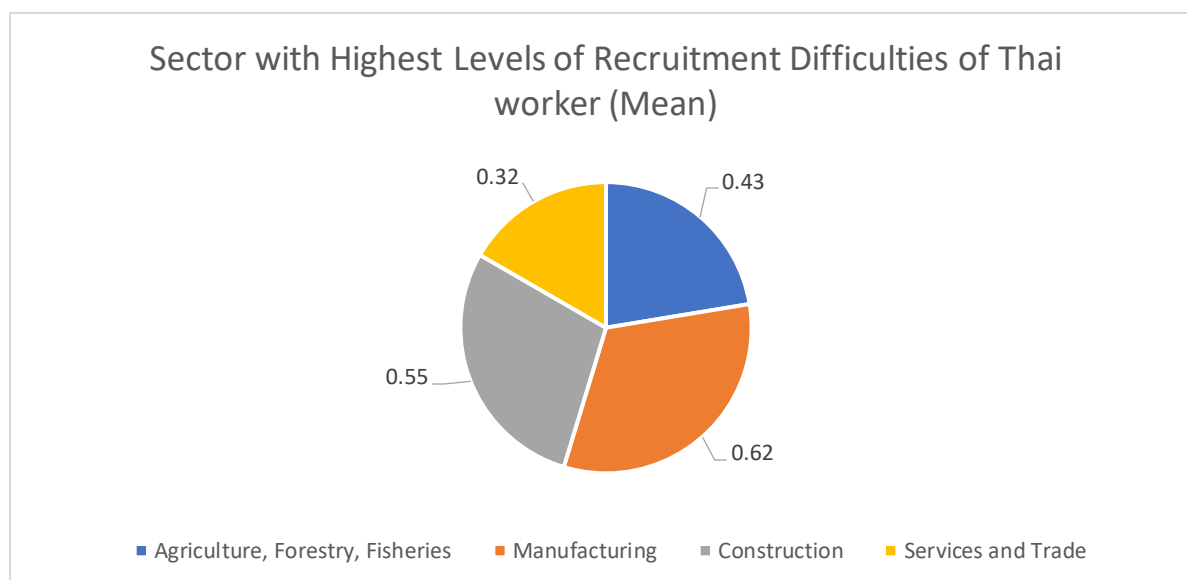


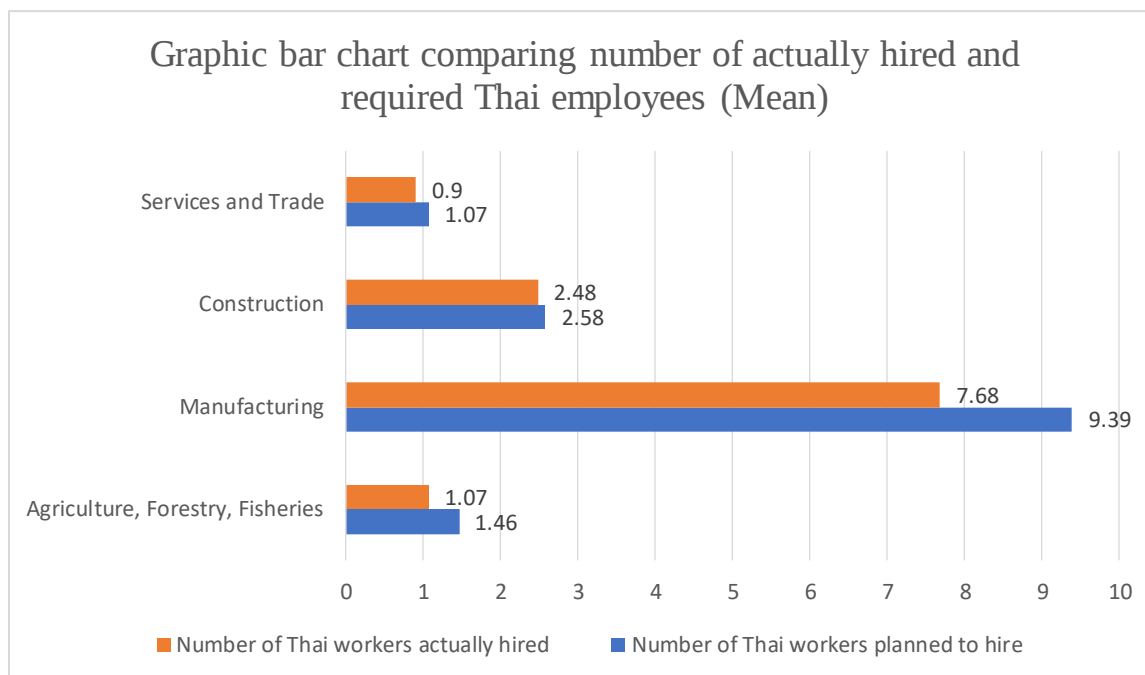
Figure A-2 Sector with highest levels of recruitment difficulties



Current employment of Thai workers

Thai employers were hiring Thai workers in manufacturing, construction, agriculture & forestry & fisheries, and services and trade. Employers indicated a demand to hire Thai employees in manufacturing and other sectors as in Figure A-3

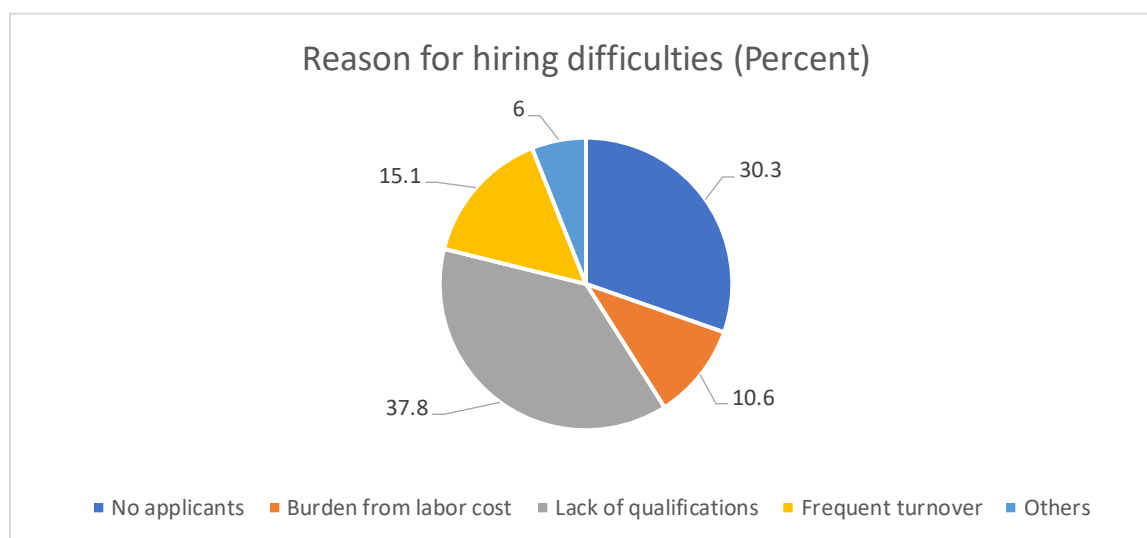
Figure A-3 Comparison of Numbers of Thai Employees Required and Actually Hired



Reasons for recruitment difficulties of Thai workers

Thai employers reported lack of qualifications as the most common reason for experiencing difficulties hiring Thai employees as in Figure A-4

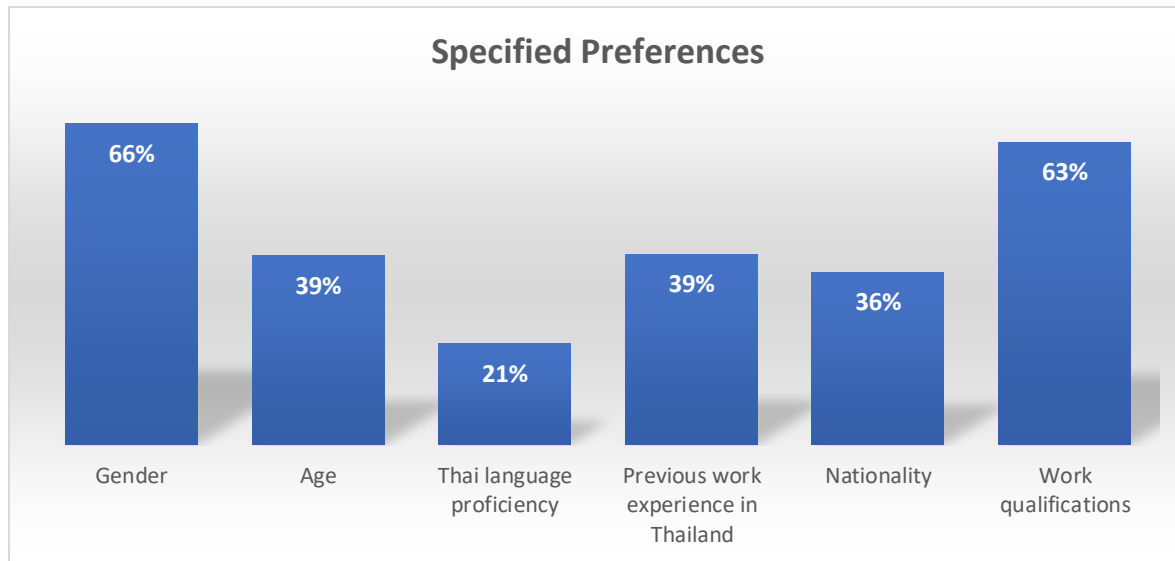
Figure A-4 Reasons for hiring difficulties



Employment of Myanmar Workers in the MOU and NV Systems

Employers' preferences of worker's background as specified to the jobs are gender, work qualifications, age, and previous work experience in Thailand. Thai language proficiency ranked the lowest as in Figure A-5.

Figure A-5 Preference of Background Characteristics Specified by MOU&NV Workers.



Nationality of Preference and Reasons

Of the three nationalities permitted to work in Thailand, most Thai employers preferred Myanmar workers. As for reasons of preference, employers indicated diligence, outstanding occupational skills, large number of workers of the same nationality at workplace, and ability to comply with instructions as in Figure A-6 and A-7.

Figure A-6 Nationality of preference by Thai employers

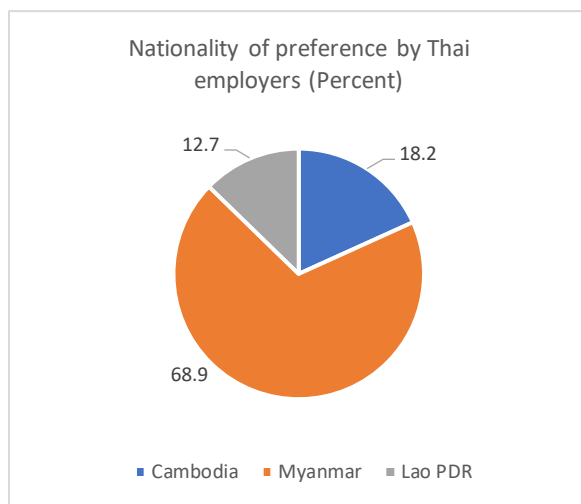
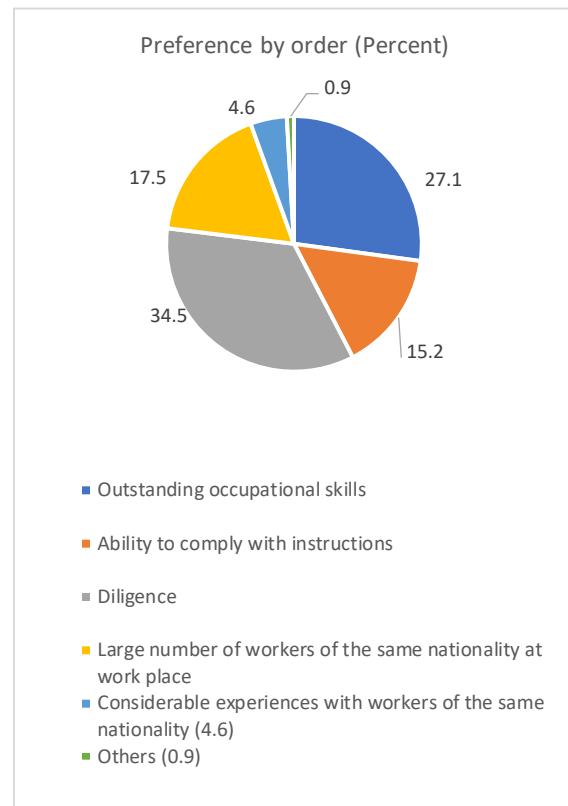


Figure A-7. Reasons for Preferred Nationality



Appendix C. Employer's Experiences in Hiring Myanmar Workers

Number of Myanmar Workers Employed

Table A 3-1 Number of Myanmar workers employed (by sector)

	Number of Employed	
	MOU	RRS
Agriculture	24.5	32.3
Manufacturing	103.1	63.4
Construction	52.0	44.2
Services	12.5	10.6
Total	65.2	37.6

Forecast of Myanmar Workers Recruitment

Table A 3-2 Forecast of Myanmar Workers' Numbers via Regularization

	More workers		About the same		Less workers		Total	
	N	%	N	%	N	%	N	%
Agriculture	18	17.65	80	78.43	4	3.92	102	100
Manufacturing	16	12.21	113	86.26	2	1.53	131	100
Construction	6	13.95	30	69.77	7	16.28	43	100
Services	6	5.22	106	92.17	3	2.61	115	100
Total	46	11.76	329	84.14	16	4.09	391	100

Myanmar Workers' Productivity compared with Thai Workers

Table A 3-3 Greatest difficulties experienced by employers when hiring Myanmar workers (MOU)

Q17-1. What was the greatest difficulty that you faced by hiring a Myanmar worker	Freq.	Percent	Cum.
None, no difficulty	35	19.55	19.55
Higher costs for MOU workers	70	39.11	58.66
Lack of the competence of MOU workers to adapt to work	14	7.82	66.48
Difficulty of communication	36	20.11	86.59
Conflict between employees due to cultural differences	3	1.68	88.27
Workers change employers frequently	12	6.70	94.97
Others	9	5.03	100.00
Total	179	100.00	

Table A 3-4 Greatest difficulties experienced by employers when hiring Myanmar workers (NV)

Q17-2. What was the greatest difficulty that you faced by hiring a Myanmar worker	Freq.	Percent	Cum.
None, no difficulty	165	42.20	42.20
Higher cost of NV worker	53	13.55	55.75
Lack of Competence of NV worker	18	4.60	60.36
Difficulty of Communication	23	5.88	66.24
Conflict with employees due to cultural differences	10	2.56	68.80
Workers change employers frequently	110	28.13	96.93
Others	12	3.07	100.00
Total	391	100.00	

Table A 3-5 Reasons for dismissing Myanmar Workers

	MOU (%)	NV (%)
Neglect of duty by the workers	5.7	5.7
Dispute on account of the workers	3.4	3.1
At the request of the workers	80.7	86.0
Others	10.2	5.2

Table A 3-6 Most significant efforts made by employers to resolve problems hiring Myanmar workers

What efforts did you take to resolve difficulties arising from hiring Myanmar workers? (%)	MOU	NV
Provide training and education	27.27	28.45
Consult with human resource of company	27.27	26.72
Meet with Myanmar Labour Attaché	2.27	0
Consult with DoE local office	15.15	16.38
Consult with NGOs	0.76	0

Table A 3-7 Frequency of organizing team-building activities to help Myanmar workers to improve teamwork and cultural understanding

Q19. How often do you organize activities (company dinner, get-togethers, etc.)	Freq.	Percent	Cum.
Twice or more a week	13	2.84	2.84
Once a week	19	4.16	7.00
Every other week	4	0.88	7.88
Monthly	57	12.47	20.35
Rarely	292	63.89	84.25
Others	72	15.75	100.00
Total	457	100.00	

Table A 3-8 Services of the DoE for foreign workers used (in the last month).

Services of DoE for Foreign Workers used in the last month (%)	MOU	NV
1. Supervise the process of worker importation according to the law	93.10%	NA
2. Oversee the service charges according to the law	10.34%	NA
3. Issuance of work permit	0.86%	80.56
4. Monitor that workers are employed in the specified job as in the work permit	3.45%	3.47
5. Dispute mediation	0%	0.69%
6. No direct DoE service, use recruitment company	2.59%	5.56%
7. Change Employer	NA	43.75

Table A 3-9 Top two advantages of hiring MOU workers

	First	Second
This recruitment channel abides by Thai laws	78.77%	3.35%
High retention of MOU workers	7.26%	25.14%
They are hardworking	10.61%	40.22%
They follow given instructions easily	2.23%	10.61%
High rate of occupational competence among MOU workers		1.68%
They work harmoniously with other workers	0.56%	0.56%
Low rate of absenteeism		5.59%

Table A 3-10 Top two advantages of hiring NV workers

Employers of NV workers selected similar top advantages, including NV workers followed instructions easily. A lesser percentage of respondents chose high retention of NV than compared to MOU.

	First	Second
This recruitment channel abides by Thai laws	65.73%	6.91%
High retention of NV workers	1.28%	7.67%
They are hardworking	29.67%	37.34%
They follow given instructions easily	2.30%	20.46%
High rate of occupational competence among MOU workers	0.51%	5.63%
They work harmoniously with other workers	0.26%	4.09%
Low rate of absenteeism		2.81%

Additionally, employers were asked what they thought were the top two disadvantages of recruiting MOU and NV workers. Difficulty in communication, frequent turnover rate, and lack of occupational competency were the top disadvantages associated with MOU Myanmar workers (Figure 3-12).

Table A 3-11 Top two disadvantages of hiring MOU workers

	First	Second
Frequent turnover of MOU workers	18.78%	1.63%
Conflict with local workers	0.41%	1.22%
Difficulty of communication	27.76%	13.47%
Lack of the occupational competence of MOU workers	10.20%	13.88%
Conflict with other workers	0.41%	6.94%
Frequent leave of absence due to loneliness, depression, etc	0.41%	0.41%

By contrast, almost half of the employers listed frequent turnover of NV workers as the top disadvantage, followed by difficulty in communication and lack of occupational competence.

Table A 3-12 Top two disadvantages of hiring NV workers

	First	Second
Frequent turnover of NV workers	48.33%	4.63%
Conflict with local workers	0.51%	3.60%
Difficulty of communication	7.97%	6.94%
Lack of the occupational competence of NV workers	4.88%	8.48%
Conflict with other workers	1.54%	7.97%
Frequent leave of absence due to loneliness, depression, etc		4.63%

Table A 3-13 Areas where improvements are needed the most in hiring Myanmar workers (MOU & NV)

	MOU	NV
1. Difficult to find a candidate who meets the employer requirements	23%	29%
2. Takes considerable time until a worker actually comes to work	44%	25%
3. Insufficient information on workers	1%	1%
4. Administrative procedures are complicated	24%	38%
5. Costs related to MOU process	7%	3%
Other	1%	3%

Table A 3-14 Additional information that could be useful for hiring Myanmar Workers

Additional Information useful in hiring Myanmar workers	MOU	NV
No need for additional information	47%	58%
Career experience back in the home country	22%	4%
Career experience in other countries	12%	4%
Career experience in other workplaces	19%	34%

Appendix D. Results of Skills Demand and Regression Analysis

Table A 4-1 Skills needed from Myanmar and Thai workers in case of hiring an additional one

q30a - from Myanmar workers	the agricultur e sector	Manufacturin g	the constructio n sector	Service s	Total
Can they read, write, and do basic calculations?	11.2%	19.4%	10.0%	28.9%	19.0%
Are they dependable, emotionally stable and kind?	28.0%	23.2%	25.0%	30.4%	26.7%
Job-related skills	41.1%	44.5%	48.3%	37.0%	42.0%
Prior work experience	19.6%	12.9%	16.7%	3.7%	12.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
q30b - from Thai workers	the agricultur e sector	Manufacturin g	the constructio n sector	Service s	Total
Can they read, write, and do basic calculations?	6.5%	9.0%	3.3%	12.6%	8.8%
Are they dependable, emotionally stable and kind?	24.3%	17.4%	25.0%	20.0%	20.8%
Job-related skills	54.2%	63.2%	65.0%	56.3%	59.3%
Prior work experience	15.0%	10.3%	6.7%	11.1%	11.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Table A 4-2 Skills needed from Myanmar and Thai workers future skills (Q31 – Q37)

	the agricultur e sector	Manufacturin g	the constructio n sector	Services	Tota l
Q31: Reading Ability					
Yes for both	22%	21%	13%	35%	24%
Yes for Thai workers	56%	59%	68%	53%	58%
For MOU workers	5%	3%	10%	4%	5%
Neither	18%	17%	8%	8%	13%
Q32: Accurate Spelling					
Yes for both	6%	12%	7%	7%	8%
Yes for Thai workers	60%	58%	53%	63%	59%
For MOU workers	6%	2%	8%	1%	4%
Neither	29%	28%	32%	29%	29%
Q33: Calculations					
Yes for both	20%	28%	25%	40%	29%
Yes for Thai workers	36%	42%	38%	45%	41%

For MOU workers	6%	4%	8%	1%	4%
Neither	39%	26%	28%	14%	26%
Q34: Carrying heavy objects					
Yes for both	82%	79%	80%	79%	80%
Yes for Thai workers	2%	3%	2%	4%	3%
For MOU workers	7%	12%	12%	8%	9%
Neither	9%	6%	7%	9%	8%
Q35: Problem Solving					
Yes for both	60%	71%	83%	67%	69%
Yes for Thai workers	11%	10%	3%	16%	11%
For MOU workers	2%	2%	7%	1%	2%
Neither	27%	17%	7%	16%	18%
Q36: Official announcements to customers					
Yes for both	55%	57%	80%	70%	63%
Thai workers	9%	19%	7%	17%	14%
Myanmar (MOU)	4%	3%	5%	2%	3%
Neither	32%	22%	8%	11%	19%
Q37: Regular interactions with colleagues					
Yes for both	91%	94%	93%	95%	93%
Thai workers	3%	3%	2%	3%	3%
Myanmar (MOU)	3%	1%	5%	0%	2%
Neither	4%	2%	0%	2%	2%

Table A 4-3 Top 3 Skills Required by Myanmar and Thai Workers (Q38a – Q39b)

Myanmar workers

		the agricultur e sector	Manufacturin g	the constructio n sector	Service	Total
Ability to read and write in Thai						
Ranked number 1	Number	10	28	8	26	72
	Percent	9.35	18.06	13.33	19.26	15.75
2	Number	1	5	2	7	15
	Percent	0.93	3.23	3.33	5.19	3.28
3	Number	2	2	1	4	9
	Percent	1.87	1.29	1.67	2.96	1.97
Being included in the top three priorities	Number	13	35	11	37	96
	Percent	12.15	22.58	18.33	27.41	21
Ability with calculations and numbers						
1	Number	0	1	1	6	8
	Percent	0	0.65	1.67	4.44	1.75
2	Number	2	8	2	16	28
	Percent	1.87	5.16	3.33	11.85	6.13
3	Number	0	3	0	0	3
	Percent	0	1.94	0	0	0.66
Being included in the top three priorities	Number	2	12	3	22	39
	Percent	1.87	7.75	5	16.29	8.54
Job-specific technical skills						
1	Number	74	72	36	58	240
	Percent	69.16	46.45	60	42.96	52.52
2	Number	4	20	6	16	46
	Percent	3.74	12.9	10	11.85	10.07
3	Number	9	11	3	11	34
	Percent	8.41	7.1	5	8.15	7.44
Being included in the top three	Number	87	103	45	85	320

priorities						
	Percent	81.31	66.45	75	62.96	70.03
Communication skills						
1	Number	6	39	9	30	84
	Percent	5.61	25.16	15	22.22	18.38
2	Number	25	41	18	31	115
	Percent	23.36	26.45	30	22.96	25.16
3	Number	13	8	3	16	40
	Percent	12.15	5.16	5	11.85	8.75
Being included in the top three priorities	Number	44	88	30	77	239
	Percent	41.12	56.77	50	57.03	52.29
Leadership skills						
1	Number	0	2	0	0	2
	Percent	0	1.29	0	0	0.44
2	Number	3	2	3	4	12
	Percent	2.8	1.29	5	2.96	2.63
3	Number	4	19	6	11	40
	Percent	3.74	12.26	10	8.15	8.75
Being included in the top three priorities	Number	7	23	9	15	54
	Percent	6.54	14.84	15	11.11	11.82
Teamwork skills						
1	Number	7	7	2	12	28
	Percent	6.54	4.52	3.33	8.89	6.13
2	Number	34	28	11	19	92
	Percent	31.78	18.06	18.33	14.07	20.13
3	Number	21	36	10	21	88
	Percent	19.63	23.23	16.67	15.56	19.26
Being included in the top three priorities	Number	62	71	23	52	208
	Percent	57.95	45.81	38.33	38.52	45.52
Creative and critical thinking						
1	Number	0	0	1	0	1
	Percent	0	0	1.67	0	0.22
2	Number	0	3	1	1	5

	Percent	0	1.94	1.67	0.74	1.09
3	Number	1	10	3	3	17
	Percent	0.93	6.45	5	2.22	3.72
Being included in the top three priorities	Number	1	13	5	4	23
	Percent	0.93	8.39	8.34	2.96	5.03
Problem solving						
1	Number	7	0	1	0	8
	Percent	6.54	0	1.67	0	1.75
2	Number	10	18	5	16	49
	Percent	9.35	11.61	8.33	11.85	10.72
3	Number	15	18	15	17	65
	Percent	14.02	11.61	25	12.59	14.22
Being included in the top three priorities	Number	32	36	21	33	122
	Percent	29.91	23.22	35	24.44	26.69
Ability to work independently						
1	Number	2	3	2	3	10
	Percent	1.87	1.94	3.33	2.22	2.19
2	Number	20	16	7	18	61
	Percent	18.69	10.32	11.67	13.33	13.35
3	Number	14	22	3	14	53
	Percent	13.08	14.19	5	10.37	11.6
Being included in the top three priorities	Number	36	41	12	35	124
	Percent	33.64	26.45	20	25.92	27.14
Time management skills						
1	Number	1	3	0	0	4
	Percent	0.93	1.94	0	0	0.88
2	Number	2	12	2	2	18
	Percent	1.87	7.74	3.33	1.48	3.94
3	Number	11	13	3	13	40
	Percent	10.28	8.39	5	9.63	8.75
Being included in the top three priorities	Number	14	28	5	15	62
	Percent	13.08	18.07	8.33	11.11	13.57

Table A 4-4 Detailed variables, questionnaire inquiries, and data settings

Variables	Question in the questionnaire	Data setting
Dependent variable		
Y variable= Productivity Comparison: Thai vs. Foreign Workers in Repetitive Tasks	Assuming that the productivity of a Thai worker responsible for repetitive tasks in production and has similar career experience is 100, what do you think is the productivity of a foreign worker in the similar line of work? What is the productivity of Myanmar Worker (MOU/RRS) with <u>1-2 years</u> of work experience taking productivity of Thai workers as 100?	Productivity of Myanmar workers is lower than Thai workers (Y=0) Productivity of Myanmar workers is equal or greater than Thai workers (Y=1)
Independent variable		
Type of Industry	Industry	Agriculture, forestry, fisheries (Industry_code=1) Construction (Industry_code=2) Manufacturing (Industry_code=3) Service and Trade (Industry_code=4)
Business Size	Number of employees (total)	<10 persons (micro) (Firmsize=1) 10-49 persons (small) (Firmsize=2) 50-299 persons (medium) (Firmsize=3) 300+ persons (large) (Firmsize=4)
Important <u>occupational skill</u> for hiring more Myanmar migrant workers	Q38a. What is the most important <u>occupational skill</u> when you hire a new Myanmar (MOU/RRS) worker? List three in the order of importance. Yes, if selected.	(1) Ability to read and write in Thai (Yes=1, No=0) (2) Ability with calculations and numbers (Yes=1, No=0) (3) Job-specific technical skills (Yes=1, No=0) (4) Communication skills, (Yes=1, No=0) (5) Leadership skills, (Yes=1, No=0) (6) Teamwork skills, (Yes=1, No=0) (7) Creative and critical thinking, (Yes=1, No=0) (8) Problem solving skills,

		(Yes=1, No=0) (9) Ability to work independently, (Yes=1, No=0) (10) Time management skills, (Yes=1, No=0)
Important socio-emotional skills and personality traits	Q39a. What is the most important element of personality when you hire a new Myanmar (MOU/RRS) worker? List three in the order of importance. Yes, if selected.	(1) Conscientiousness: Does the worker take on difficult tasks work diligently and effectively, (Yes=1, No=0) (2) Emotional Stability: Is the worker relaxed and manage stress well? Does the worker get worried and anxious easily?, (Yes=1, No=0) (3) Agreeableness: Does the worker easily forgive others? Is the worker considerate, kind, and polite?, (Yes=1, No=0) (4) Extroversion: Is the worker talkative, proactive, extrovert, and sociable?, (Yes=1, No=0) (5) Openness to experience: Is the worker creative and good at thinking of new ideas? Does the worker have good imagination?

Table A 4-5 Descriptive of the data used in the regression

	Minimum	Maximum		Mean	Std. Deviation
	Dependent variable				
Moreprodo_fm1	0.000	1.000		0.626	0.484
	Independent variable				
industry1_ag	0.000	1.000		0.234	0.424
industry2_con	0.000	1.000		0.131	0.338
industry3_man	0.000	1.000		0.339	0.474
industry4_ser	0.000	1.000		0.295	0.457
Firm_size1	0.000	1.000		0.225	0.418
Firm_size2	0.000	1.000		0.416	0.493
Firm_size3	0.000	1.000		0.258	0.438
Firm_size4	0.000	1.000		0.101	0.301
Topskill_q38a_1	0.000	1.000		0.210	0.408
Topskill_q38a_2	0.000	1.000		0.085	0.280
Topskill_q38a_3	0.000	1.000		0.700	0.459
Topskill_q38a_4	0.000	1.000		0.523	0.500
Topskill_q38a_5	0.000	1.000		0.118	0.323
Topskill_q38a_6	0.000	1.000		0.455	0.499
Topskill_q38a_7	0.000	1.000		0.050	0.219
Topskill_q38a_8	0.000	1.000		0.267	0.443
Topskill_q38a_9	0.000	1.000		0.271	0.445
Topskill_q38a_10	0.000	1.000		0.136	0.343
Topsperso_q39a_1	0.000	1.000		0.694	0.461
Topsperso_q39a_2	0.000	1.000		0.540	0.499
Topsperso_q39a_3	0.000	1.000		0.722	0.448
Topsperso_q39a_4	0.000	1.000		0.694	0.461
Topsperso_q39a_5	0.000	1.000		0.063	0.244

N=457

Table A 4-6 Result of the Probit regression: Factors associated with the perceived productivity of migrant workers

	Total			Agriculture			Construction			Manufacturing			Service		
Moreprodo1	Coef.	Std. Err.	P> z	Coef.	Std. Err.	P> z	Coef.	Std. Err.	P> z	Coef.	Std. Err.	P> z	Coef.	Std. Err.	P> z
firmsize	-0.195	0.070	0.005	-0.511	0.212	0.016	-0.006	0.255	0.982	-0.165	0.142	0.245	-0.306	0.153	0.046
topskill_q38a_1	0.633	0.212	0.003	0.480	0.547	0.380	1.759	0.944	0.062	0.412	0.460	0.370	1.085	0.455	0.017
topskill_q38a_2	0.249	0.277	0.367	0.688	1.061	0.517	0.426	1.091	0.696	-0.058	0.564	0.918	0.247	0.463	0.594
topskill_q38a_3	0.146	0.194	0.453	0.500	0.530	0.345	0.877	0.632	0.165	-0.309	0.442	0.485	0.391	0.387	0.313
topskill_q38a_4	0.327	0.175	0.061	0.580	0.407	0.154	1.110	0.642	0.084	-0.072	0.385	0.852	0.631	0.371	0.089
topskill_q38a_5	0.299	0.259	0.247	-0.329	0.651	0.614	0.048	0.697	0.945	-0.579	0.517	0.263	1.565	0.602	0.009
topskill_q38a_6	0.133	0.173	0.442	0.709	0.374	0.058	1.633	0.621	0.009	-0.769	0.432	0.076	0.145	0.339	0.669
topskill_q38a_7	0.434	0.320	0.175	0.000	(omitted)		1.533	0.960	0.110	-0.522	0.524	0.319	0.000	(omitted)	
topskill_q38a_8	0.111	0.188	0.555	0.341	0.403	0.397	0.384	0.548	0.484	-0.692	0.461	0.133	0.395	0.416	0.341
topskill_q38a_9	0.425	0.190	0.026	1.176	0.449	0.009	1.442	0.737	0.050	-0.333	0.408	0.415	0.458	0.384	0.234
topskill_q38a_10	-0.148	0.215	0.491	0.448	0.514	0.384	-0.554	0.919	0.547	-0.491	0.433	0.256	0.083	0.446	0.853
topsperso_q39a_1	0.033	0.151	0.826	-0.351	0.376	0.351	0.371	0.568	0.514	0.539	0.283	0.057	-0.913	0.319	0.004
topsperso_q39a_2	0.305	0.134	0.023	0.541	0.306	0.077	0.267	0.484	0.581	0.577	0.251	0.022	-0.157	0.288	0.585
topsperso_q39a_3	0.254	0.143	0.076	0.247	0.332	0.457	0.255	0.522	0.625	0.302	0.275	0.272	0.251	0.290	0.388
topsperso_q39a_4	0.000	(omitted)		0.000	(omitted)		0.000	(omitted)		0.000	(omitted)		0.000	(omitted)	
topsperso_q39a_5	-0.176	0.259	0.496	-0.147	0.621	0.813	-0.734	0.799	0.358	-0.385	0.467	0.410	-0.947	0.712	0.184
_cons	-0.247	0.412	0.549	-0.500	1.005	0.619	-2.715	1.323	0.040	0.781	1.205	0.517	0.098	0.756	0.897
	Number of obs = 457 LR chi2(14) = 43.46 Prob > chi2 = 0.0001 Log likelihood = -280.4113 Pseudo R2 = 0.0719			Number of obs = 106 LR chi2(14) = 24.83 Prob > chi2 = 0.0363 Log likelihood = -58.319916 Pseudo R2 = 0.1755			Number of obs = 60 LR chi2(15) = 20.24 Prob > chi2 = 0.1628 Log likelihood = -28.725152 Pseudo R2 = 0.2606			Number of obs = 155 LR chi2(15) = 27.34 Prob > chi2 = 0.0261 Log likelihood = -91.405583 Pseudo R2 = 0.1301			Number of obs = 131 LR chi2(14) = 29.43 Prob > chi2 = 0.0091 Log likelihood = -69.560444 Pseudo R2 = 0.1746		

Annex 1: Who does what in the Thailand-Myanmar MOU migration systems and in the Korea-Myanmar MOU systems

The table below demonstrates the role of stakeholders at each stage of labor migration under the given MOU migration systems. The Korea-Myanmar migration system is chosen as Korea's MOU on Employment Permit System with its bilateral partner countries (including Myanmar) is considered as a global good practice in the space of temporary low-skilled labor migration. Those in 'red' refer to government actors and in 'green' to private recruitment agencies.

Corridor	Country	Vacancy/ Labor demand	Job-seeker filtering	Job-matching	Labor contract signing	Permission to leave	Pre-departure	Immigration	Post-arrival
Myanmar-Thailand	Thailand	[Employer] applies quota to [DOE] -> obtain a recommendation letter from [DBD] -> apply a request to hire MOU workers to [Township DOE].				[THA agency] sends contract list to [DOE] -> issue Stamp 3 and send the package to [DOI] -> issue visa approvals to [Mae Sot immigration office] [DOE]-> [THA agency] submit visa approval to [Mae Sot Immigration]/ [DOE] issue visa approval letter to [Labor attaché] [THA agency] request Stamp 4 on assigned border crossing day to [Mae Sot Immigration] -> issue visa and Stamp 4-> [THA		[Worker] crosses border and obtain visa at [DO/THA immigration]	

						agency] 4-stamped demand letter package to [Kyauk Lone Gyi camp]			
	Myanmar Embassy in BKK	[THA agency] obtains approval of demand letter from [Labor attaché] -> sends demand letter to [MMR agency]				[Labor attaché] issue Stamp 2 [Labor attaché] send the visa approval package to [MMR agency]			
	Myanmar	[MMR agency] submits demand letter to [DOL] -> sends stamped the letter to [MWD] -> send demand letter in excel format for review to [EHHRD Committee] -> sends approved demand letter to [MOLIP Minister] -> send approval to [DOL]	[MMR agency] contact [Worker]	[Worker] register as overseas jobseeker at [LEO] -> [MMR agency] informs a list of job-matching to [MWD] [Worker] obtains PJ (job) passport at [Passport office]	[MWD] organize employment contract signing, by [Employer] [Worker] [MMR agency] [state/region Head Officer, LEO officer, Labor officer]	Four stamps on the signed labor contract needed to leave: Stam 1 [Regional director] [Worker] undergoes medical check-ups [MMR/THL agency] submit the stamped labor contract package to [OWIC] -> issue OWIC to [Worker] -> [MMR] request a sending from via [OWIC] -> [MWD] assign a border crossing date to [MMR agency] -> transmit sending order to [OWIC]	[Worker] receive 'Dos and Don'ts' training at [Kyauk Lone Gyi camp]		

						[DOL at Kyauk Lone Gyi camp] verify the 4-stamped package and issue authorizing letter -> [MMR Immigration] issue departure authorization			
Myanmar – Korea	Korea	[FWPC] issues annual quota by country -> [Employer] Apply for quota to [PES] -> [MOEL] issues employment permits	[HRD Korea] manages TOPIK tests in Myanmar	[PES] include and sort job-seekers who pass the test in the job seeker pool -> offer 3 candidates for each position to [Employer] -> [Employer] Selects prospective employees-> [PES] informs prospective employees to [MMR POEA]	[Employer] signs a labor contract -> [HRD Korea] Sends the signed contract to [HRD Korean in MMR]	[Employer] applies for Certificate for Confirmation of Visa Issuance to [MOJ] -> issues the certificate to [Worker] [Employer] send flight tickets to [HRD Korea in MMR]	[HRD Korea/ MOEL] send pre-departure materials to [POEA]	[MOJ] Immigration service	[MMR labor attaché] [HRD Korea] Meet and escort [Worker] to post-arrival training center [Business associations] provide 3-day training and escort [Worker] to [Employer] [Worker] request/ file complaints with [Foreign Worker]

									Welfare Centers]
	Myanmar	[Worker] Apply for/ take a TOPIK test [Worker] Register as overseas jobseeker at [LEO]	[Worker] pass a TOPIK test -> apply for an EPS job -> interview /skills test with [HRD Korea/ Employer]	[POEA] informs the job matching outcome to [Worker]	[HRD Korea in MMR] send the contract to [POEA] who then invites [Worker] to sign the contract	[POEA] assist [Worker] to apply for a visa at [Korean Embassy in MMR] - > issues a visa to [Worker] [HRD Korea in MMR] Notifies flight details to [Worker] [Worker] sign a return guarantee contract (together with [Parent/relatives] -> obtain [OWIC]	[POEA] provides a pre-departure training to [Worker]		

Source: Authors, based on Testaverde et al. 2020, Chantanavich and Lewis, 2022, and Cho et al. (2018).