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## Mobility of skilled labor in the ASEAN: Free or unfree?\*

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### *Abstract:*

The Association of Southeast Asian Nations (ASEAN) has declared repeatedly its goal of transforming the Southeast Asian region into one ASEAN economic community (AEC). A major feature of this community-hood is the “free movement of skilled labor” across the region. This paper outlines how this ASEAN objective of promoting skilled labor mobility has progressed – first, through the ASEAN translation of the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) into the ASEAN Framework Agreement on Services (AFAS), and second, through the ASEAN efforts to have a system of recognition equivalency or mutual recognition agreements (MRAs), purportedly to allow select professionals to practise freely in other ASEAN countries. And yet, to date, no ASEAN professional has registered under the MRAs that were already approved by the ASEAN. On the other hand, there has been a noticeable flow of skilled labor within the region due largely to the demand from ASEAN labor-receiving countries like Singapore. In fact, a veritable “war for talents” for certain skills, talents and professional expertise has arisen in the region as reflected in the difficulties of human resource managers to keep in-demand skills, talents and professionals. This paper argues that what is happening is the freer movement of select skilled labor due to the demand side in an emerging ASEAN labor market, while the anticipated “free” or unhampered movement of skilled labor under the MRA system is not taking off. The reason for the latter is the inability of the ten ASEAN countries to implement these MRAs at the “national” level because the ten have complicated and differing “national” standards and requirements in the practice of each profession. The paper concludes that the more immediate and urgent task to the ASEAN Member States is how to strategize skilled and semi-skilled labor as a “shared resource” and how to re-focus the human resource discourse on the overall promotion of social and economic development at the national and regional levels.

*Key Words:* labor mobility, GATS, AFAS, MRA, war for talents

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## An inquiry on the ASEAN program on the mobility of skilled labor

The Jakarta-based Secretariat of the Association of Southeast Nations (ASEAN) has been declaring that the ten countries composing the ASEAN are on the high road to economic community-hood, meaning the regional bloc is becoming one integrated ASEAN economic community (AEC) as outlined in the AEC 2015 blueprint (ASEAN, 2007) and the succeeding AEC 2025 blueprint (ASEAN, 2015). Economic community-hood is equated to the fulfillment of the ASEAN vision to become *one single market* and *one production base*. The AEC is characterized by the following:

- free flow of goods,
- free flow of services,
- free flow of investment
- free flow of capital, and
- free flow of skilled labor.

This paper is an inquiry on the last AEC integration indicator, the *free flow of skilled labor*. How free indeed is the movement of skilled labor within or across the ASEAN region, specifically those in the recognized professions and those possessing high level of skills? Is this mobility rising or falling? What are the facilitating or hindering factors and policies? In the case of the Philippines, how is it adjusting to the AEC vision of the free circulation of skilled labor?

These are the main questions that this paper seeks to answer. An overview on how the “free flow of skilled labor” became part of the AEC program is given at the beginning. The paper ends by discussing a number of “policy rebalancing” issues that the ASEAN and its Member States must address.

### An overview: liberalization of the services and labor market in the ASEAN

Part of the ASEAN’s trade and economic liberalization agenda is the liberalization of services as envisioned in the AEC 2015 and AEC 2025 Blueprints. This has generated a confusing set of acronyms: AFAS, MRAs, AQRs and MNP. Unlike trade liberalization for industrial and agricultural goods, trade liberalization in services requires a different set of trade liberalization measures. Services cannot be containerized, shipped and subjected to the usual tariff and customs rules. Some clarification is clearly in order.

#### *From GATS to AFAS: How services became globally tradeable?*

Until the 1970s and 1980s, the general discourse on global trade was overwhelmingly focused on trade in industrial and agricultural goods. Thus the original agreement was called the General Agreement on Tariffs and Trade (GATT). From the end of World War II up to the 1980s, GATT had undergone a series of modifications under various rounds of global trade talks, all of which were supposedly based on the general framework of market opening or liberalization.

However, the Uruguay Round of global trade talks, launched in the mid-1980s, was ambitious as the talks sought the formation in 1995 of the super-body on global trade

called the WTO (Khor, 2010). The WTO, in turn, covered not only the GATT on industry and GATT on agriculture (called simply as Agreement on Agriculture or AoA) but also a whole range of economic concerns. One of these is the General Agreement on Services (GATS), which was pushed by the influential lobby groups from Europe and North America associated with the financial sector. The whole idea is to put various service industries such as banking, communications, maritime services and so on under the general WTO disciplinary principles of progressive liberalization, non-discrimination among trading partners, transparency and so on, among others. But how can these WTO principles be applied in services, which cannot be loaded in boxes and container vans for shipping across borders?

The GATS proponents came up with four modes on how global trading of services can be realized (Ofreneo, 2000), namely:

- **Mode 1** – the service provider sends the service across borders, for example, a financial analyst in country A sending by mail, fax or internet the results of his analysis to clients in country B;
- **Mode 2** – the consumer of service from country A travels across borders, consuming the service provided by suppliers in country B, for example, a Manila tourist going to Ha Long bay taken care by tour and hotel service providers of Vietnam;
- **Mode 3** – the service provider from country A sets up shop in country B to provide the service, for example, a commercial bank in country A establishing a branch in country B;
- **Mode 4** – the service provider from country A sends its service personnel to country B to perform certain services such as troubleshooting for a computer system gone awry. This mode was given a technical-sounding term “movement of natural persons.”

But how do countries negotiate for the liberalization of services of other countries? The GATS proponents came up with the “*request-offer*” system – country A requesting country B to liberalize certain service industries, for example, banking, and country B making an offer on what industries it is prepared to open up. To simplify WTO negotiations, services were classified into 12 sectors:

- Business
- Communications
- Construction
- Distribution
- Education
- Environment
- Insurance and banking
- Health and social
- Tourism
- Recreational, cultural and sporting
- Transport and
- Other services

The foregoing clearly covers entire services. The only excluded services from the GATS discipline are services provided in the exercise of government authority such as police matters and tax administration. However, a qualifier is added that such services are supplied “neither on a commercial basis, nor in competition with one or more service suppliers,” meaning even those provided by government authority can be covered by GATS

if the services are supplied on a commercial basis such as power generation and distribution.

### *The WTO debates on GATS and its four modes*

GATS is widely debated in the WTO. Progress in request-offer talks under GATS has been relatively slow, too.

One major reason is the intrusive nature of GATS on government policy-making space in the area of services. This is particularly true for Mode 3, which is seen as another agreement on investments, for the whole idea is to secure for service suppliers from a trade partner “**commercial presence**” in another country (Khor, p. 35). Modes 1 and 2 are hardly debated, for it is obvious that cross-border supply, facilitated today by the wonders of the information-communication-technology (ICT), and cross-border consumption are realities in the modern world. However, providing service in another country by asking the latter to open up in the name of global market opening and other WTO rules is clearly invasive.

Trade unions and civil society organizations (CSOs) are generally apprehensive and critical of Mode 3 because liberalization in services such as education, health care and basic services that governments are supposed to provide to their citizens on a guaranteed basis usually leads to the **privatization, deregulation** and **corporatization** of these services (see, for instance, proceedings of AMRC-UNI/AP-FTA Regional Conference on GATS, 2005). In addition, there are fears that the ensuing marketization of these services and the liberalization of the entry of big foreign service suppliers usher in monopoly control over these services by a few private service providers. For trade unions in finance, communications, distribution and other profit-driven service industries, fiercer global competition means job-threatening reorganizations due to **mergers, acquisitions** and **consolidations** or **MACs** involving key foreign and local players in each service industry. There are also those who raise the fear that countries are losing the flexibility to nurture certain service industries for strategic or security reasons such as water distribution service and power generation.

### *Debate on the movement of natural persons under Mode 4*

Mode 4 has also generated intense debates (see, for example, Martin, 2006). This time, however, the criticism is why GATS is limiting the liberalization in the movement of service workers only to the movement of the skilled personnel, usually managers and professionals, of big foreign service suppliers. Why the selective policy? Why not liberalize the movement of service workers in general? Why not liberalize the global labor market in keeping with the WTO's liberalization of the markets for goods, services and other areas?

Labor-receiving countries obviously will not allow such labor market liberalization for fear of being flooded by unwanted migrants. They want to maintain a selective labor market policy and retain the flexibility to manage visa policies based on their own development requirements. On the other hand, some countries like the Philippines are under pressure to alter domestic rules regulating the hiring of foreign workers based on the criterion of “**needs**” (meaning the services cannot be provided by the local experts or managers). This is why the issuance of “**alien work permits**” (AEPs) is sometimes contested by certain professional associations.

### *ASEAN clones GATS as AFAS*

In the ASEAN, GATS was renamed simply as the ASEAN Framework Agreement on Services (AFAS). The Agreement was formally adopted in 1995 right after the establishment of the WTO.

The liberalization of trade in services in the region has always been seen as critical in building the AEC, for services constitute over 40 percent of the GDP of each ASEAN member country. It is the fastest-growing economic sector region-wide. In 2008, services received 50 percent of the total ASEAN FDI flows amounting then to US\$33.5 billion (ASEAN Secretariat, 2009). The growth of trade in services in ASEAN was dramatic: a doubling of ASEAN export of commercial services to the world market from US\$68 billion in 2000 to US\$153.2 billion in 2007. Singapore, the ASEAN's financial hub, accounted for 45.4 percent of the exports. Presumably, the bulk of service transactions fall under Mode 3; however, the ASEAN Secretariat is unable to provide more details on estimates and breakdowns.

The ASEAN set up several implementing bodies for AFAS (Mendoza and Sugiyarto, 2017, pp. 6-10) such as the Coordinating Committee on Services, Coordinating Committee on Investment, Air Transport Sectoral Organization and Working Committee on Financial Services. From the foregoing, it was obvious that finance and air transport were priority service industries. Other priorities identified were business services, construction, maritime transport, telecommunication, tourism, healthcare and logistics.

Several rounds of request-offer talks were undertaken as early as the 1990s. Progress, however, was relatively slow. So in the AEC 2015 Blueprint that was adopted in 2007, specific liberalization targets were set: removal of restrictions on trade in services in five priority sectors (air transport, e-ASEAN, healthcare, tourism, and logistics) and removal “substantially (of) all restrictions on trade in services for all other services sectors by 2015.”

### *The “free flow of skilled labor” and the development of schemes for MRAs and AQRF*

One major feature of AEC 2015 is the **“free flow of skilled labor”**, obviously in line with Mode 4 of GATS/AFAS. Who are the skilled workers? They are the managers, professionals and highly-skilled personnel of service companies engaged in trade in services. Accordingly, the free flow of skilled labor is needed in an ASEAN seeking to establish itself as a single market and one production base because this will allow ASEAN companies easy access to needed skills and talents wherever they operate in the region. **Mobility** and **availability** of professionals and skilled workers are the buzz terms used in justifying the concept of the free flow of skilled labor.

For the free movement of professional and skilled service personnel, the ASEAN instituted the concept of **“mutual recognition agreements” (MRAs)**, which calls for a system of equivalency and recognition related to the education, skills and qualifications for various disciplines. Among the first to be covered by the ASEAN MRAs are architectural services, accountancy services, nursing services, surveying qualifications, medical practitioners, and dental practitioners. The MRAs for these professionals were adopted between 2005 and 2009 (see table 1).

Table 1. ASEAN Mutual Recognition Agreements Signed (2005-2009)

<i>MRA</i>	<i>Signing Date</i>
Engineering services	9 December 2005
Nursing services	8 December 2006
Architectural services	19 December 2007
Framework Agreement for the Mutual Recognition of Surveying Qualifications	19 December 2007
MRA Framework on Accountancy Services	26 February 2009
Medical Practitioners	26 February 2009
Dental Practitioners	26 February 2009

Source: ASEAN Secretariat, *ASEAN Integration in Services*, 2009.

In 2010-2013, the ASEAN, with the help of Australia-New Zealand, created a task force to help further expand the system of equivalency and recognition of qualifications of professionals and skilled workers through what is now dubbed as the “**ASEAN Qualifications Reference Framework**” or **AQRF** (ASEAN Secretariat, 2015). The idea is to harmonise the regulatory arrangements, quality assurance and system of recognition of professional/skilled workers’ qualifications in terms of education and training obtaining among participating ASEAN countries. As such, the AQRF looks into the comparability of national qualifications frameworks (NQFs) and for ASEAN to have a common reference framework on qualifications. With an ASEAN system of equivalency for skills, expertise and know-how, it will be much easier for professionals and skilled workers to circulate within the ASEAN. An IT engineer in Hanoi who meets the AQRF standards can be an IT engineer in all the ASEAN countries.

On the other hand, the AQRF puts pressure on ASEAN member countries to assess their national educational and training system (from basic education to tertiary and technical-vocational schools) and align their curricular offerings, processes, licensure examinations and so on with the ASEAN and global standards. In short, the **National Qualifications Reference Framework** or **NQRF** of a member country should be aligned with the rest of the ASEAN. This, obviously, will be a long drawn-out process given the diverse history, culture and traditions in the different member countries.

#### *ASEAN service sector integration: A work in progress*

Summing up, the ASEAN service sector integration, particularly the program on mobility for skilled labor, is a work in progress. What the ASEAN has done is laying out the various programs and measures – AFAS agreements and modalities, MRAs on certain professions, development of a proposed AQRF and so on – meant to facilitate integration. But these programs and measures, drafted in the general context of trade liberalization, do not necessarily translate into an integrated service sector region-wide.

Overall, however, one does not need the magnifying glass of doctoral students to see that services are developing in a very uneven manner within each member country and across the region. For example, there are millions of micro enterprises and hundreds of thousands of small and medium enterprises in the whole ASEAN that are not exactly tied to each other in an integrated way as envisioned under AEC 2015. These enterprises have different technological capacities, employment levels, capital requirements and so on.



To complicate the situation, the bulk of services in most of the ASEAN is informal. The informal economy constitutes at least two-thirds of the labor market in all the ASEAN countries, with the notable exception of Singapore and Brunei, both of which are highly dependent on migrant labor. In the case of Malaysia, the migrant workers are estimated anywhere between two to three million, with a huge number working as unregistered workers in the vast plantations of the country.

**The big question:**  
**Is there “free” mobility now for skilled labor?**

On the movement of professionals and skilled labor, there has been a noticeable increase in the circulation of highly-educated migrants within the region even without the Mode 4 of AFAS and the ASEAN MRAs and AQR. Countries like Singapore and Malaysia even encourage their entry during boom times for they help moderate wage surges and provide these countries needed talents in scaling upward the technology ladder.

The problem is that statistical data on the movement of skilled labor are not readily available. A 2015 joint study of the Asian Development Bank (ADB) and the International Labour Office indicates that intra-ASEAN migrants increased from 1.5 million to 6.5 million between 1990 and 2013 (ADB-ILO, 2014, p. 83). The bulk of the migrants is low-skill workers, who are generally subjected to strict visa requirements of the labor-receiving countries. As to the free mobility of professionals, the study pointed out that AFAS has benefited mainly the high-level personnel of service-providing companies – “business visitors for sales negotiations, natural persons on a temporary basis, and intra-company transfers of executives, managers and other high-skilled professionals accompanying FDI.”

The study noted that mobility of skilled labor under the AFAS-MRA framework is slow and hardly moving. In particular, the implementation of the MRAs (now eight [8] in number, after the addition in November 2012 of “tourism professionals”) is facing difficulties because of differences in national regulations and recognitions of the professions and the lack of inter-ASEAN agreements on how these differences can be smoothed. Progress in inter-ASEAN recognition was attained mainly on the MRAs for architecture and engineering. The specific reasons for the difficult inter-ASEAN agreements are as follows:

- Countries vary significantly in the education and testing they require for granting professional recognition and licenses;
- Some countries require such positions as teachers, lawyers, civil servants or soldiers “to be filled by citizens and explicitly exclude migrant workers for these”;
- Differences in language, culture and social acceptance “create practical barriers”; and
- MRA negotiations done mainly at the bilateral level (not regionally) and there “loopholes for implementation.”

Another study, this time by Philippa Dee (2013) of the Australian National University, was blunt by raising the question if AFAS has “a bite.” She observed there are gaps between ASEAN commitments and “actual practice” in the service industries prioritized by ASEAN for liberalization. The gaps are widespread in air transport, telecommunications and banking, although there is significant “reform” in accountancy. Just like in the trade in goods where NTBs are a major stumbling block, “domestic regulation” (such as taxation

and “necessity tests” for employment of foreign service personnel) is generally hazy, if not non-transparent, in many member countries.

However, the most biting criticism over the slow ASEAN progress on the implementation of the MRAs came from a recent joint study of the ADB and the Migration Policy Institute graphically entitled *The Long Road Ahead: Status Report on the Implementation of the ASEAN Mutual Recognition Arrangements on Professional Services* (2017). The study pointed out that ten years after the signing of the MRA for engineering, only seven engineers had completed the process of registering and being recognized in another ASEAN country and yet, none of the seven has moved to the country of destination. There are no records of any professional being registered and recognized in the other MRAs. The study noted that implementation progress for the MRAs was mainly in the creation of implementing offices and bodies at the regional and national levels and the incorporation of MRA principles into national laws. However, there is tremendous backlog in the “operationalization of MRA principles into detailed regulations, plans, procedures and mechanisms” that professionals can use when applying for registration and recognition. The study also cited the different requirements imposed by the ASEAN Member States such as language proficiency requirements, holding a degree from a recognized or accredited institution, minimum years of study and passing of national licensure exams.

#### And yet there are reports on the “war for talents” in the region

Despite the documented lack of progress in the implementation of the MRAs for the eight (8) professions, it cannot be denied that there is a rising number of professionals and skilled workers being employed across the region. The leading countries of destination are Singapore, Brunei, Malaysia and Thailand. However, other countries also have a fair share of migrant professionals and skilled workers. In fact, Singapore and Malaysia also have a large number of their own professionals such as bank managers and business consultants moving freely within and beyond the ASEAN region.

The foregoing observation is reflected in the increasing intra-ASEAN travel among upper and middle-class ASEAN nationals. The travelers include tourists who turn out to be professionals who apply directly to some countries such as Singapore and Malaysia upon arrival. The internet and the non-visa requirement for ASEAN travellers, good for 21 days, make it easy for these tourists-professionals to arrange for job interviews in the country of destination.

The case of Singapore is worth citing here. At least 40 percent of the work force of Singapore are migrants (Iwasaki, 2015, p. 3). The country has high dependence on the services of low-skill migrants. However, most of these migrants are subjected to strict visa requirements and reportorial monitoring. On the other hand, Singapore has a relatively lenient policy, if not an open one, when it comes to the entry of highly-skilled workers, who come to Singapore as tourists and yet apply for jobs upon arrival.

As early as the 1980s, Singapore realized that it needs to recruit the best and the brightest outside Singapore in order to sustain its program of continuous upward development. As documented by Iwasaki (pp.10-14), Singapore launched in the early 2000s a program to recruit leading scientists from around the world to take up positions in research institutions or serve as university professors. The whole idea is to enhance Singapore’s capacity for innovation and transform Singapore as the region’s center for research and development.



In contrast to the low-skilled workers who are given ordinary but strict “Work Permits,” highly-skilled workers are given “personalized employment permits” (EPs) for they are seen as drivers of innovation and continuing economic vitality. The EPs are given a variety of benefits such as monthly income of at least S\$3,000.00, housing privilege and permit to bring in their families. Singapore also set up “Contact Singapore,” jointly managed by the Ministry of Manpower and Economic Development Board, for the purpose of attracting the best talents outside the country. Contact Singapore advertises vacancies in Singapore firms and the benefits that await qualified talents outside Singapore.

The truth is that industries from Singapore, Malaysia and other countries have been waging a war for talents. John Clements, Manpower of Milwaukee, Monster Inc. and other global executive head hunters have found a home in the ASEAN. They have joined Jobstreet in the hunt for the best and brightest, usually poaching or pirating talents and skills from established firms in the different ASEAN countries. This is generally beneficial for the recruited individuals. The problem is that the industries and countries which nurtured their talents become losers in terms of human resources they helped develop. The brain drain has serious implications for developing ASEAN countries which are trying to catch up with the more advanced ASEAN countries.

Industries in the Philippines, one of the largest sources of migrant workers in the region and in the world, have been suffering from brain and brawn drain since the program of “manpower export” was launched by the Department of Labor in the mid-1970s (initially in response to the demand for workers by the petro-dollar states in the Middle East). Somehow, complaining Philippine industries have survived the drain. However, an argument can be raised that the brain drain contributed to the failure of Philippine industries to move up the ladder in the succeeding decades.

Also lately, a bigger problem has cropped up – the loss by industry of “mission-critical personnel” (Ofreneo, Hernandez and Samonte, 2011, pp. 16-20). These are the most talented workers occupying sensitive or strategic positions whose absence can paralyze the operations of the entire business or factory. For example, manufacturing will grind to a halt if there are no production engineers. Some of the most affected industries by the migration of mission-critical personnel are aviation, mining, steel, telecoms and manufacturing.

At the Asia-Pacific level, the Hays recruiting firm reported in their *2015 Hays Asia Salary Guide* (p. 15) that Asian companies are finding it difficult to recruit middle and senior people for human resources, accountancy and finance, banking and financial services, engineering, property/facilities management, operations, distribution, purchasing, IT, technical, healthcare, research and development and so on.

### [Back to the MRAs and AQRF: How is the Philippines adjusting?](#)

In the study of Mendoza and Sugiyarto (p. 26), the Philippines is cited as the most restrictive when it comes to the implementation of the MRAs. And yet, as is well known, the Philippines is a major labor-sending country in the region. Also, the Philippines’ Professional Regulatory Commission (PRC) provided leadership in the crafting of the AQRF because the PRC became the main partner of Australia-New Zealand for the AQRF project.

What are the reasons for the restrictive position of the Philippines on the MRAs? There are at least three:

First, the Philippine Constitution is quite explicit in its support for the exercise of professions by Filipinos. Section 12 of Article XII (on the National Economy and Patrimony) reads:

“The State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive”.

Additionally, Section 14 of the same Article reinforces the foregoing with the following:

“The sustained development of a reservoir of national talents consisting of Filipino scientists, entrepreneurs, professionals, managers, high-level technical manpower and skilled workers and craftsmen in all fields shall be promoted by the State...”

***“The practice of all professions in the Philippines shall be limited to Filipino citizens, save in cases prescribed by law.”*** (underscoring supplied)

Secondly, the Labor Code of the Philippines is also restrictive. Article 40 states that a foreigner seeking employment in the Philippines must secure an “employment permit” from the Department of Labor. This shall be given only after

***“a determination of the non-availability of a person in the Philippines who is competent, able and willing at the time of application to perform the services for which the alien is desired.”*** (underscoring supplied)

This provision is better known in the Philippines as the “labor market test.” However, the same Article 40 allows “an enterprise registered in preferred areas of investments” to secure employment permit for their managerial people “upon recommendation by the government agency charged with the supervision of said registered Enterprise.” This clause has become the main vehicle for the employment of foreign managers and executives, mostly coming from America and Europe, in the booming call center/BPO sector of the Philippines.

Thirdly, the Philippines, through the decades, has developed detailed systems of licensure, certifications and regulations for various professions, a good number of which were borrowed or adopted from the practices in the United States.

But despite the foregoing restrictions or difficulties, the Philippines has been trying to make itself MRA-ready. It has developed a National Qualifications Referencing Framework (NQRF) that is consistent with the AQRF. A major but difficult educational reform is the Philippine adoption of the K-12 program, which added two years to basic education, in conformity with global standards for basic education.

Overall, however, it is abundantly clear that new national laws are needed to make the MRAs fully operational in the Philippine context.

## Conclusion: Towards the “freer” movement of skilled labor and rebalancing of the MRAs in support of development

Various commentators have proposals on how to make the MRAs operational and make the “free movement of skilled labor” a regional reality. Foremost among these proposals is the need for overcoming restrictions at the national level, meaning for ASEAN countries to legislate or institute national skills recognition and certification programs that are consistent and supportive to the regional MRAs. In this regard, Mendoza and Sugiyarto are quite blunt: they want to set aside the “ASEAN Way,” meaning regional agreement is arrived at only if there is full consensus among the ten ASEAN Member States.

The problem with the ASEAN Way is most succinctly demonstrated by the ASEAN Declaration on the Rights of Migrant Workers, which was adopted in 2007. Ten years after, there is still no agreement on a viable implementing instrument for the said Declaration because there is no ASEAN consensus on the design and mechanics of the Instrument.

However, it is also obvious that the mandatory adoption of MRA measures at the national level cannot work given the entrenched ASEAN Way of doing things. What is likely to happen is that there will be continuing talks on how to make the MRAs work while the ASEAN labor market for skilled workers shall evolve and likely to expand, gradually, as a natural outcome of the changing economic structure and employment patterns in an open ASEAN economy. For example, more and more skilled workers shall be circulating without being registered formally under the MRAs or in the proposed ASEAN Skills Certification program.

In this context, the proposal of the ERIA team (Intal et al., 2014, p. 161) makes better sense. They want the “free flow of skilled labor” to be re-stated as the “freer flow of skilled labor.” There is some logic here. ASEAN is unlike Fortress Europe that has a system of strict laws and regulations. ASEAN is more of an open economy, whose labor market has been evolving in a gradual manner. Despite the lack of progress on the MRAs, there has been an upsurge in the circulation of high-level skills. There is even an emerging “war for talents” among ASEAN industries.

The challenge then to the ASEAN and the individual ASEAN Member State is how to strategize human resource development – as a “shared resource” – in the service of regional and national development, not necessarily in support of a unilateral program of trade liberalization. In short, there is a need to bring back or re-focus the debate on MRAs or the free or freer movement of skilled labor to finding the right nexus connecting mobility to development. Both labor-sending and labor-receiving countries have a stake in a rebalanced approach to MRAs and AQR and the larger ASEAN goal of building a people-centered ASEAN.

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