The Migration Industry and the Commercialization of International Migration

Edited by
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To the crescendo of calls for systemic approaches to the study of international migration, the nascent field of migration industry studies offers a piquant response. Going beyond kin and friendship networks or the development of a "culture of migration," the research gathering around this angle of vision provides new insights into the infrastructures vital for directing movement from here to there. By analyzing the matrix of border-spanning businesses—labor recruitment, money lending, transportation, remittance, documentation, and communication services—that open doors to migrants while facilitating connections back home, these studies illuminate how entrepreneurial interest and market mechanisms structure the opportunities available to international movers. Though this field has commendably connected the economic to the social by examining how financial interests and investments may be as important as personal ties in channeling people across borders, it has only haltingly engaged the political, side-stepping the state—as do many of the entrepreneurs it describes—at a loss of analytic breadth.

Prior work on the migration industry has focused largely on illegal or informal activities—whether the risk-laden underground economies managed by coyotes, snakeheads, and brokers that traffic people through back doors, or the more mundane transportation, courier, and communication services that operate in the informal sector. However, this viewpoint has overlooked the places where the migration industry might wield the most influence over human flows: documented migration. Particularly when entry slots are limited—as with guestworker
schemes—migration enterprises or entrepreneurs may be positioned to
grab a near monopoly on movement, offering migrants more than just
bits of the journey, but an all-or-nothing package deal. By working
with—rather than against or simply under—the state, migration entre-
preneurs may not only encounter lower risks, but also a cooperative
partner likewise interested in the development of their enterprises and a
competitive market around them.

Early research in this vein also tended to relegate the state to solely a
behind-the-scenes role. While it may provide a supportive or restrict-
tive context in which (or against which) the migration industry devel-
ops, the state in these studies remained an adjunct to the object of
inquiry—a reference point outside the industry itself that crafts an
uneven terrain, but retains no power of initiative. Immigration entre-
preneurs and enterprises, in current accounts, are yet firmly a “meso-
level” phenomenon. Yet severing the political from the economic in
this way may no longer be warranted in an age of creeping neoliberal-
ism, as governments not only surrender sovereignty to markets, but
also reconfigure their own functions along their logic. Even so, the
interpenetration of markets and governments is hardly new. Long
before the Washington Consensus, developmental states had carried
out their functions in “synergistic” relationship with the private sector,
guiding economic development while reducing the instabilities of the
free market in order to build their national economies.

In such cases, one would, in fact, be surprised not to find the state partnered with
migration industry actors.

In his trenchant explanation of Japan’s “economic miracle,” Chal-
mers Johnson was the first to label and dissect the developmental
state. When capital was scarce in the aftermath of World War II, the
national government stepped in where the financial sector once stood,
taking on the debt of industrial expansion. The department in charge
of economic development, the Ministry of International Trade and
Industry (MITI), thereby acquired a strong hand in industrial structure
policy, as it financed risky investments, guided entrepreneurial deci-
sions, and enhanced the global competitiveness of its goods. South
Korea and Taiwan implemented similar versions of the model, insti-
tuting the Economic Planning Board on the peninsula and the Indus-
trial Development Bureau on the island. Out of the ruins of war, the
assurance of the nation’s economic advancement guided by an elite
bureaucracy became the state’s raison d’être—so much so that the
overwhelming majority of the populations of the three countries con-
sistently stated in polls that the state’s foremost duty was to ensure
economic growth. Since the 1990s, all three have been liberal
democracies—a legal grounding that took greater force as martial law fell to rising gross domestic product (GDP)—but the political apparatus remained principally concerned with economic development for the greater good. Throughout most of the postwar period, this mission could be achieved without foreign workers. Hayseeds and housewives, as well as the swell of the baby boom, provided pools of cheap labor readily tapped to quench the thirst of the growing economy. However, these dried by the late 1980s, and businesses began to pressure governments to find new sources. All of the states conceded to the economic demands, but in divergent ways—Taiwan adopted a Singapore-style tightly managed guestworker program, and Japan instituted a thinly disguised guestworker program while admitting co-ethnics through side doors to fill dirty, dangerous, and difficult jobs, while South Korea alternated between the two models. The intricacies of each offer insight into the possible configurations between states and the migration industry.

Taiwan

From the ruins of war and a GDP on par with sub-Saharan African countries, the Taiwanese developmental state from the 1950s through the 1970s induced striking economic growth by fostering export-oriented light manufacturing. By the 1980s, authoritarian rule began to loosen, privatization of state-run enterprises proceeded apace, and the island achieved the hallmark of any successful economy: an illegal worker population numbering between 50,000 and 100,000. At the close of the decade, the state debated what should be done to control these illicit entrants, and in 1990 decided to experiment with a program recruiting foreign workers to labor on 14 distinct construction projects that would automate the manufacturing sector. Drawing on Singapore’s guestworker scheme, this program was elaborated two years later in the Employment Services Act. Under the oversight of the Council of Labor Affairs (CLA), low-skilled foreigners were to be recruited to work in construction, manufacturing, and care giving, so long as they remained supplements to the native work force, did not delay economic up-grading, stayed only temporarily with no access to citizenship, and brought only minimal social costs. To implement the first two objectives, the government designated specific employment sectors and quota limits. The second two were enforced through rigorous health screenings, prohibitions on marriage and pregnancy, and strictures preventing the accumulation of residence time necessary to apply for citizenship. This attempt to control the expanding number of illegal
laborers by turning them into guestworkers was complemented by police crackdowns in 1991, broad amnesties in 1992, and mass deportations in 1994. By 2009 the program had 350,000 participants—a figure fixed through informal negotiations with unions—with Indonesians filling out 40 percent of the quota, and Thai, Vietnamese, and Filipinas (mainly women working as domestics) accounting for around 20 percent of the slots available a piece.¹²

Yet the developmental state did not simply permit a set number of low-skilled foreign workers to enter the labor market freely; it deployed them only to sectors targeted as having specific needs. Construction and manufacturing dominated the quotas in the 1990s, while service industries began receiving more extra hands in the 2000s, with domestic workers now accounting for 40 percent of the total. The impact of these numbers is assessed with an eye to the national economy, and the government is quick to tweak the program in bearish times—manufacturing slots, for example, have been limited to the night shift or particularly undesirable 3D (dirty, dangerous and demeaning) jobs since the most recent economic downturn. However, this change in job profiles has had less of an impact than the temporary legalization of “unpaid holidays” across the board—a loss of on average four working days a week makes the heavy burden of debt that many migrants incur when coming to the island an impossible load to carry.¹³

Though a free labor market was not opened to migrant workers, the developmental state did take on neoliberal trappings when it came to specifics of program implementation. Employers “pay to play,” with the government collecting a monthly “employment stabilization fee,” running between $50 and $175, used to cover costs the state incurs when managing foreign workers and retraining local ones. While country-to-country direct hiring was discussed at the outset, the planning board decided to rely on brokers to implement the program because, as one involved policy advisor related in a personal conversation, “We were dealing with Thailand, Indonesia, and the Philippines—corrupt states you can’t trust. We turned to the private sector because the market is far more efficient” (see Chapter 5 on purported efficiency gains, and Chapter 10 and Chapter 11 on economic instrumentalities, this volume). However, the government did more than relegate responsibility to the market—it moved beyond its traditional developmental duties of insulating industries, and fostered competition, neoliberal-style.

The resulting system keeps a tight squeeze on foreigners through the grip of two markets revolving around a shortage of work quotas.¹⁴ At one end, would-be participants in sending states vie for limited spots,
paying higher broker fees than incurred for other guestworker schemes, and taking on heavy debts that lock them into their jobs for several years before repayment in full is possible. At the other end, employers battle to acquire and retain limited slots, even hiring people they deem “useless” workers (women for construction jobs, for example) to keep a grasp on any migrant quotas they have gained. Indeed, the quota may become more valuable than the labor power of the particular individual filling it.\textsuperscript{15} The paper-processing middlemen—the employment agencies—rabidly compete for business in these two markets. The 800 licensed firms in this tight sector dominated by a handful of large businesses indeed pay employers as much as $700 per migrant to handle their cases—a cost recovered by squeezing the migrants, who typically give over nine months’ salary in fees to the government and employment agencies.\textsuperscript{16} Migrants from countries where the government is actively concerned with emigrants and where watchdog non-governmental organizations (NGOs) have emerged may be able to pocket some money at the end of 12 to 18 months of work, but others are often less fortunate. Workers from the more proactive Philippines and Thailand pay $2,000–3,000 to brokers, whereas $6,000–7,000 can be extracted from those from Vietnam and Indonesia.\textsuperscript{17} Unsurprisingly, middlemen are turning away from the two former countries and towards the two latter ones.

Market competition assists the state in devolving management of the scheme to sub-state actors by foisting “runaway” control onto employers, who would lose the right to hire a foreigner if one under their watch slips into the underground economy. (Indeed, the government collects a deposit and security fees from employers to cover the costs of deportation in the event a worker escapes from the program.) The “success” of this formula is striking. Where South Korea, for example, has a population of 200,000 irregular workers—almost equal to that of its participants in the formal guestworker program—Taiwan has only 25,000 “runaways” from a program employing about 350,000. Yet the highly exploitative conditions of their formal employment—long hours, low pay, no overtime bonus, substandard housing, and physical and verbal abuse—have nonetheless led many participants to abscond. In 1998 the government attempted to combat the rising numbers of illegal workers by granting employers the right to place up to one-third of migrants’ earnings into an individual savings account that could be accessed only when the employee’s contract was completed. By the following year, over 80 percent of employers in manufacturing and 70 percent in construction had established these accounts, and the number of program runaways was immediately
halved, from 30 percent to 15 percent of participants. Furthermore, the monthly “employment stabilization fee” which bosses pay to participate in the scheme continues to be collected even if a worker runs away. To keep from losing the right to hire foreigners, employers extend monitoring beyond the immediate work conditions. Some lock migrants into company “housing”—sometimes not much more than a converted cargo container—while employers of domestic workers may make lock-out a threat and refuse care givers keys to the homes in which they live.

The handful of NGOs struggling for migrants’ rights has thus far achieved only “paper victories” of the thinnest sort. In a state outside the international community, and where civil society is embryonic, persuading the government to provide literature on migrants’ rights in English is considered a triumph. Due to their efforts, employment agencies are now rated with an A, B, or C—those falling under the final category given two years to improve or else lose their license. Furthermore, foreign workers can now lodge complaints against employers with the CLA, which may grant a migrant two months to find a new job if the boss is found at fault. Though migrants’ rights organizations count these as wins, they are quick to recognize that implementation is still an uphill battle against a system profitable to not only employers and brokers, but also to the politicians who receive pay-offs from both. As the developmental state, accustomed to a strong hand in economic and social policy, weds neoliberal valorization of the market to its traditional role in guiding private sector development, one wonders whether the boost to market fundamentalism will stifle any further development of migrants’ rights organizations.

Japan

Though points of concordance are strong, the postwar history of migration to Japan presents a somewhat more variegated picture than that of its neighbors, due to its colonial past. Despite the mass movements of ethnic-unmixing in the wake of imperial defeat in 1945, around 600,000 Koreans and 30,000 Taiwanese remained in (or circulated through) their former metropole. As Japan entered the G7 in 1975, a combination of civic group agitation and international pressure achieved substantial gains for the social, political, and economic rights of long-term residents—successes that applied not only to former colonial subjects and their kin, but to foreigners more broadly.
Yet entrance was still not easily gained into a country that prided itself on its ethnic homogeneity. When the bubble economy of the 1980s called for cheaper and more flexible workers, the Ministry of Labor proposed a guestworker scheme—a suggestion quickly stifled by the conservative Ministry of Justice, the ultimate regulator of immigration policy and a standard-bearer of ethnonational purity. However, businesses’ demands were met a few years later when the Immigration Control and Refugee Act was reformed in 1990, giving force of law to an under-the-table compromise between the Ministry of Labor and the Ministry of Justice, which opened two side doors for foreign laborers.21

The first door allowed former nationals, up to the third generation, to enter the country on unlimited renewable visas, unshackled with work restrictions—a boon to the 1.5 million Japanese and their descendants in Brazil weathering an economic downturn at home.22 From a few thousand in the late 1980s, around 300,000 Brazilian-Japanese lived in Japan by 2008, with 260,000 contributing to the workforce.

The second door was created through the Industrial Training Program (ITP), which established a quota for trainees from developing countries to work on a short-term basis for less than minimum wages under the guise of “skills transfer.” By 1993 it was accompanied by a technical intern program—a similar arrangement, but accentuated by gossamer-thin labor contracts. Now approximately 105,000 participate in the trainee program—a figure dominated by 80,000 Chinese, though Vietnamese, Indonesians, Filipinos, and Thai also contribute to the number—and 80,000 in the technical intern program, a figure with a similar breakdown by nationality. Managing the bulk of both schemes is the Japan International Training Cooperation Organization (JITCO), a body suspended between five ministries, and run by former ministers, retired business chiefs, and bureaucrats.23 A profitable semi-governmental organization, JITCO receives around $1 million in governmental funding per year, but much more from its member businesses—approximately $11 million in membership fees and documentation preparation from participating firms in the fiscal year 2005 alone.24 Insurance policy and employer commissions contribute additional revenue to this economic organization managed like a business from the office of the president, a post usually filled by a retired governmental minister or head of a major firm.

In the Brazilian-Japanese case, ethnonational interests were glaringly at stake in policy formation. The absence of work restrictions on their unlimited renewable visas signaled that these co-ethnic “brethren” were admitted not solely to “visit ancestors’ graves and learn about the homeland,” but rather answer business and government interests in
attracting a flexible workforce that would raise few cultural clashes with Japanese society.\textsuperscript{25} However, having come under international fire only 10 years before for its illiberal foreigner policies, the government moved with caution. By couching the program in the language of co-ethnic return for cultural purposes, it remained in line with liberal-democratic norms that reject the use of ascribed characteristics as a filter in labor migration, but sanction them in culturally defined cases of ethnonational return.\textsuperscript{26}

The migration industry that emerged around these newly instituted flows developed informally—the government provided a playing field and sometimes served as a referee, but rarely became an active participant in a game played between migrants and the private sector. In São Paolo, the small travel agencies established by the handful of migration pioneers in the 1980s soon evolved into full-scale recruitment businesses. The movement boom following the 1990 Act drove demand and supply. Increasing numbers of people availed themselves of the translation services, start-up loans, job contacts, housing, and transportation offered by these businesses to smooth the trans-Pacific move. Returnees with ties to and familiarity with the situation in Japan capitalized on these gains by opening recruitment businesses themselves. The growing flows of legal migrants encouraged a soon flourishing migration industry.\textsuperscript{27} Indeed, few moved outside its reach—over three-quarters of Brazilian-Japanese migrants make use of these migration services, and even the majority of family reunification migrants, who might rely on ethnic networks to reduce risks, turn to recruiters in Brazil for securing jobs before departure.\textsuperscript{28} Japanese employers also make good use of their services—two-thirds of medium-to-large firms employing foreign workers go through brokers to secure the extra hands.\textsuperscript{29} Such middlemen supply them with a flexible pool of labor to fill specific gaps without the maintenance costs of full-time employees. These ethnic labor recruitment businesses have, in essence, carved a niche within a more general shift to a “just in time” flexible labor system enabled by deregulation of the job market in the late 1980s. Lifetime employment is now a thing of the past for the almost 35 percent of the Japanese workforce currently engaged in non-regular employment.\textsuperscript{30} However, it is the privileged visa status of the Brazilians that enabled extension of the just-in-time delivery system to this stream—undocumented workers are too risky to keep in such pools, and thus become more reliant on social networks to secure employment.\textsuperscript{31} The present array suggests that migration industries can be indeed more powerful in legal than in illegal migration streams.\textsuperscript{32} In the case of the Brazilian-Japanese, the government has allowed the
migration industry to develop—and even inadvertently aided it through neoliberal deregulation—though it has not become an invested partner in the industry.

The story is different for the trainee and the technical intern programs. Under the guise of “skills transfer” to developing nations, these schemes were implemented as a concession to small and medium-sized businesses’ calls for a guestworker program. The initial one-year limit on contracts was soon expanded to three, ostensibly to enable participants to refine the “skills” acquired in metal cutting, clothing manufacturing, poultry processing, and other forms of 3D work. Though technical interns are—nominally—covered by labor laws and receive a minimum wage, trainees have not been granted such legal protection, though over a decade of NGO agitation has recently led to system reforms, to be fully implemented by 2013, guaranteeing minimum wages from the second month of employment. Even so, monitoring is difficult, with JITCO unable to extend or uninterested in expanding oversight. Rather than direct hiring, JITCO has devolved the nitty gritty of program management to the private sector, while retaining for itself an advisory capacity. Brokers implement the recruitment scheme, and with the all-too-typical exploitative results: passports are confiscated at the border and management fees of typically $1,000 per year are charged, while employers extract hundreds of dollars for sub-standard room, board, and clothing costs. To pocket a bit of cash or to keep from losing their jobs, trainees have no option but to put in long overtime hours or work through holidays. Unsurprisingly, the traditional salaryman malady karoshi—death by overwork—is all too common.

The trainee and technical intern programs lay bare one of the darker sides of the developmental state. In helping small and medium-sized businesses weather structural transformations, it has recruited migrant workers and extracted their labor power while offering them little in return. By relying on brokers to funnel workers to employers, the state—here, through its agent, JITCO—has condoned and utilized an exploitative migration industry to effect its labor-recruitment policies. As in Taiwan, reforms have been largely reactive and superficial. Local and international NGOs have fiercely lobbied for changes, calling for an above-the-table guestworker scheme along South Korean lines, as will be discussed below, but the national government remains unmoved. While the media have brought some exploitative conditions of the ITP to public attention, they also transmit images of foreigners as the culprits behind increasing crime rates, and the relatively open public opinion on migration reflected in polls in the early 1990s has
remained consistently closed over the past decade. Though civic groups addressing migrants’ issues have flourished—they counted over 200 by the turn of the millennium—or their victories have been confined largely to local-level reforms, where they meet often cooperative partners in municipal governments. Efforts to lobby the national government have achieved only limited and indirect success, and policy makers have few incentives to substantially overhaul a “skills transfer” program that is meeting labor market shortages.

South Korea

The late 1980s were watershed years for the Hermit Kingdom. The developmental state, which had led stunning economic growth over the prior two decades, could no longer maintain its authoritarian trappings, and the international attention garnered by the 1988 Olympics kept the government from too easily shrugging off mass demonstrations against it. By 1987 the regime was transformed into an operational democracy, headed by a strong executive. As with its neighbors, labor needs in the booming economy outstripped supply, particularly for 3D jobs, and by 1991 an estimated 50,000 irregular workers were in the country. This was still not enough to meet employers’ demands, however, and the Korean Federation of Small Businesses (KFSB) lobbied the government to open doors for yet more. Turning east rather than south, the government implemented a Japanese-style trainee program in 1991. The Japanese ITP was replicated to a tee in the Korean Industrial Technical Training Program (ITTP), and when Japan extended the program to a three-year time limit on contracts, its neighbor did so as well. On the peninsula, JITCO became KITCO, and was charged with managing the program. Though the Construction Association of Korea, the National Federation of Fisheries Cooperatives, and the National Agricultural Cooperative Federation were later added as implementing agencies, KITCO’s predominance was a boon to the KFSB, which oversaw the operations and staffed the personnel of this semi-governmental body with close connections to the chaebol business giants. At its peak, participation in the program hovered between 70,000 and 80,000.

However, as the program grew, so did the number of undocumented workers, far outstripping the size of the legal stream. By 2002, 85 percent of foreign workers were laboring illegally. Not just exploitative work conditions, but the ITTP itself pushed foreigners into the gray zone. KITCO extracted such large fees from workers that many—60 percent of program participants in 1993, according to the Ministry of
Labor—entered the higher-paying illegal market to pay off the debt. KITCO provided a solution for this as well, though, running 20 “consulting service” agencies, charged with helping to prevent runaways for a monthly fee. It also encouraged employers and brokers to keep an eye on their employees, collecting deposits from both that would be returned only once the migrant left the country. All of this was a boon to the KFSB, which gathered net profits of around $50 million between 1996 and 2001, mainly in fees from the agencies taking on the trainees.

The copy, of course, reproduced all of the exploitative elements of the Japanese original, and by the late 1990s, dozens of civil society organizations began rallying for an improvement in foreign workers’ rights, and calling for an above-the-board work permit system based on the Taiwanese model. Though the 1997–98 economic crisis sterilized their efforts, an activist executive—President Rho Moo-hyun, a former human rights lawyer himself—heathered the reforms through a few years later, and 2003 saw a sudden about-face with the passage of the Foreign Worker Employment and Human Rights Protection Law and the Employment of Foreign Workers Act (EFWA, implemented in 2004). The EFWA established a formal labor recruitment scheme—the Employment Permit Program (EPP)—which replaced the ITTP and granted foreign workers the same rights and minimum wages as nationals. The government took control over the areas mismanaged by the vilified KFSB (renamed KBiz in an attempt at image-enhancement). Migrant selection, registration, orientation sessions, job placement, and return were placed under the auspices of the Human Resources Development Service of the Ministry of Labor, which divided out responsibilities for employment implementation to a field of over 100 job-search agencies and support centers. This shift from an informal broker system to an above-ground competitive industry lowered the cost of entry borne by migrants from $3,500 in 2001 to $1,300 by 2008. Bilateral memoranda of understanding were negotiated with sending countries to stem the most usurious brokers, and quotas were instituted to encourage source states to compete for limited slots. As with the ITTP, the state limits participation to sectors in need of extra hands—manufacturing, construction, agriculture, fishing, and service industries—and channels or curbs flows for what it defines as the benefit of the national economy. Following the most recent economic crisis, the government cut recruitment quotas by three-quarters, and eliminated those for the construction industry. Now approximately 150,000—largely from China, the Philippines, and Bangladesh—participate in the program.
The EPP recruits were soon complemented by another body of workers: Chinese-Koreans. In the wake of the 1997–98 economic crisis, the government passed the Overseas Korean Act (1999) in hopes of attracting the US dollars of the large Korean-American community. Worded to include well-off Yankee brethren while excluding poorer compatriots who remained in China and Russia following the collapse of the Japanese empire, the Act came under attack by Korean NGOs for ethnic discrimination. At first the government defended its position by amending the EPP to offer special work permits to Chinese-Koreans which enabled them to enter more easily than other foreigners, but restricted work to only targeted industries during their two-year stay. Criticized as both discriminating among workers and among ethnic kin, the revision was replaced in 2004 by the Visit and Employment Permit (VEP) program. Implemented the following year, the VEP instituted five-year visas for low-skilled brethren, and has become the main mode of entry for labor migration—about 97 percent of its current 400,000 visa holders come from China, and about 80 percent in search of jobs. With 34 job sectors open to them and allowed to remain in the country even without a job contract, the Chinese-Koreans provide a pool of labor somewhat similar to that of the Brazilian-Japanese.48

Though the impact of neoliberal trends towards temporary employment on the job opportunities of Chinese-Koreans has yet to be investigated, one area in which a market logic has risen to dominance is marriage migration.49 All of the cases discussed have witnessed marked increases in international marriage, with rates approaching 10 percent in Japan and 15–20 percent in South Korea and Taiwan. While local governments in Japan and Taiwan have taken an active role as matchmakers, only in South Korea has the state become invested in such “multicultural” unions, warranting an exploration of its relationship to the migration industries around these streams.

As higher rates of educational attainment and the lure of the cities drew women out of the countryside in the early 1990s, local governments began to take an active interest in the futures of their bachelor farmers and fishermen, unable to secure lifetime companions. The “getting rural bachelors married” projects (now numbering over 60) started by municipalities offered unmarried men between $3,000 and $9,000 in aid for securing foreign brides.50 Spurred on by the injection of funds, a small industry of brokers and matchmakers operating in a gray area of transnational matchmaking took hold, a trend eased by the elimination of bureaucratic red tape, and encouraged by shifts in the domestic marriage broker market.51 These agencies offer their
customers an ever-changing menu of international dishes—Mongolian: hearty and wholesome; Vietnamese: delicate yet strong—and provide package tours for bride selection in the country of choice. Partnered with marriage brokers in the sending states, they arrange a steady parade of women from which the Korean men select a spouse. Though the industry is lucrative, competition can be cut-throat, with Korean agencies trying to edge each other out of partnerships with their best counterparts in sending states. Not only do prospective husbands pay as much as $8,000 for their services, but prospective wives may pay up to $2,000 for “fast-track” access to a more developed country.

The 1998 International Marriage Broker Law was a boon to the industry, moving it out of the shadows through a national licensing system, which in 2010 provided accreditation to over 1,200 international marriage agencies. The law’s neoliberal formulation, modeled in part on consumer protection law, set a new framework that defined husbands as consumers with the rights to specific recourse should they be dissatisfied with their purchased products. By 2006, over 70 percent of matchmaking agencies were offering six- to twelve-month “sales warranties,” which included phone counseling, home visits, and Korean language instruction. If a divorce occurs within this time period, the broker promises to supply the former husband with a new bride. These service costs, however, eat into profits, and therefore larger companies encourage prospective husbands to sign an agreement that they will not invoke their warranties.

While the government initially kept its hand out of these dealings, over the past five years it has come to target foreign brides in its pronatalist policies. With the 2006 Healthy Family Law, the state lauded the “multicultural family” as a pillar supporting the country’s future. The same year, the Multicultural Family Support Policy Law set up a barrage of programs aimed to culturally assimilate the foreign mothers of the next generation of Korean children. The international marriage industry has been an asset in implementing these measures. When Seoul mandated the establishment of integration courses for multicultural mothers, it turned to brokers to administer them. Now these government-sponsored classes are run as part of larger international marriage enterprises—a shining example of a state with neoliberal hues in symbiotic relationship with core migration industry businesses.

**Conclusion**

While prior work on the migration industry trained its sights on irregular or illegal entrepreneurial practices that happen within—but do
not directly engage with—states, an examination of legal migration streams to the East Asian democracies suggests that states may assume a greater variety of roles. At minimum, these include platform, principal, or piggybacker. The first has been noted since the earliest studies of the migration industry, and can be found in the East Asian context as well. When visas are not connected to specific employment opportunities, as is the case for the Chinese-Koreans and Brazilian-Japanese, informal migration industries flourish much as they do along the Mexican–US border. The state in these cases serves as a platform for action; it shapes the play, but does not join the players.

The game is different, however, when governments are more selective and migrants enter on visas that are limited and targeted in number, length, and job opportunities. In implementing formal or informal guestworker schemes, states may become principals charging agents to carry out their traditional capacities. Though the particular configuration varies across the cases examined here—Taiwan evinces a stronger mix of neoliberal marketization, Japan holds to developmental state guidance, and South Korea has moved between the two—in all scenarios, the state does not lose ground, but reaps rewards from facilitating or partnering with migration industries. Most concrete are the profits accrued when agents—whether brokers or bureaucracies like JITCO or KITCO—save the government resources that might otherwise be drained through migration policy enforcement. To these can be added the putative efficiency gains of using market mechanisms, lauded in the Taiwanese case, to retain control over flows, but no less important is the “corporate veil” that can be pulled by states to avoid blame for the most exploitative elements of the system. For more thorough discussions of cost shifting and reduction, purported efficiency gains, and blame-avoidance, see Chapter 5 and Chapter 6, this volume.

Menz offers a detailed discussion of lock-in effects and self-reinforcing dynamics. These benefits may be mutual, or they may come at a dear price to migration enterprises. As the Taiwanese case shows, when the state fosters cut-throat competition among brokers and businesses to ensure that they enforce the government’s desire for legal and limited migration, it can come at the cost of a high rate of business turnover.

However, brokers can serve as more than agents appointed by the state to carry out its traditional functions; they can offer new services as well. States may glom onto sectors of the migration industry that developed through local efforts and make use of available resources for their own ends. This shift in state role from platform to piggybacker is most clearly illustrated by the international marriage industry in South
Korea. Here marriage migration agencies have supplied a ready-made institutional infrastructure that the state has hired to implement its pro-natalist multicultural programs—the two sides operating in symbiotic alliance.

Yet these partnerships are not without limits. The Japanese case illustrates how a strong commitment to nationalist principles of ethnic homogeneity can tie a developmental state’s hands when operating within the strictures of a liberal-democratic environment. By permitting Brazilian-Japanese to enter and remain in the country regardless of work contracts, the state rescinded much managerial control over this labor force. When settlement followed and integration problems emerged, the government could not simply send workers home, as it would otherwise. Most recently it has attempted to pay its invited brethren to leave—$3,000 for one-way tickets to South America with a commitment never to return to the archipelago—though the economic slowdown since 2009 has been more effective in limiting numbers than this short-lived program. Given the Republic of Korea’s concern in building a multicultural society—even an essentially assimilationist one—different outcomes, whether intended or unintended, are likely.

Civic groups, however, may be able to apply a stronger solvent against the thickening of collaborations between states and private migration industry actors. The successes of South Korean NGOs in ripping down the corporate veil shrouding KITCO and achieving substantial reform suggest that a strong civil society can work against lock-in effects. Yet the Japanese case warns that their efficacy may be blunted when migration policy making is largely in the hands of bureaucrats rather than elected officials. Indeed, without a lively civil society persistently lobbying for change, a competitive market may yield the yet more exploitative consequences witnessed in Taiwan. Activists on the island lament that the government has become so invested in the migration industry that substantial reform is essentially stymied—the self-reinforcing dynamics oiled by financial kickbacks hindering curtailment of the worst abuses. Taking on a neoliberal program of fostering market competition may be one way of curbing runaways, but at a high price. However, from the perspective of many migrants—onto whom the costs are inevitably devolved—the price already may be too dear.
Notes

1 For a formal definition, see Rubén Hernández-León, Metropolitan Migrants: The Migration of Urban Mexicans to the United States (Berkeley: University of California Press, 2008), 154.


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10 Japan, though, shedding authoritarian rule much earlier.


12 Full figures can be found in the Council of Labor Affairs, *Statistic Book of Employment and Vocational Training Administration* (2010).

13 The government estimates that migrants accrue between US$3,500 and $4,500 in debt when entering the country. Low-end and high-end figures can be found in Lorna Kung, *Taiwan’s Labor Migration Policy and the Impact of the Financial Crisis on Migrant Workers*, smc.org.ph/misa/uploads/country_reports/1285920042.pdf: 3, 8.


17 The figures are from Amy Loveland, “Positioning the Product: Indonesian Migrant Women Workers in Contemporary Taiwan,” *Working Paper* 43, Southeast Asian Research, Hong Kong: City University of Hong Kong, 2003; footnote 13.


22 Some 90,000 Peruvians also qualified and are treated the same, with approximately 60,000 now registered in Japan. Because their numbers are dwarfed by those of their larger neighbors, I will refer mainly to the Brazilian-Japanese for the sake of parsimony.


24 The *Daily Yomiuri* newspaper has reported that JITCO charges between $55 and $110 for each case it processes (including the yearly contract renewals), and member firms pay between $500 and $3,000 in participation fees, depending on their size: see *Daily Yomiuri*, “Training Entity Held Strings for Trainee Visas,” 8 November 2006. On the organization of JITCO, see Tadao Uemoto, “Gaikokujin Kensei no Seibōryoku Higai Saiban no Tenmatsu,” in *Gaikokujin Kensei Jikyū 300 En no Rōdo*, ed. Gaikokujin Kenseiseikenri Nettowaaku, vol. 2 (Tokyo: Akashi Shoten, 2009).


28 Higuchi, “Brazilian Migration to Japan.” In the series of large-scale surveys between 1998 and 2000, Higuchi also found that dependence on such services decreased with educational attainment, as those with college degrees relied more frequently on their personal savings. For an informative
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29 Higuchi, “Brazilian Migration to Japan.”


34 The government does little to ease the experience. As in other Singapore-style guestworker schemes, regular health checks are imposed, family reunification and marriage are forbidden, and participants must leave Japan, with no possibility of return.

35 According to government records, at least 127 trainees died between 2005 and 2010—a 1:2,600 death rate that is unusually high for youth who must pass a thorough health exam.


39 Later, the Construction Association of Korea, the National Federation of Fisheries Cooperatives, and the National Agricultural Cooperative
Federation were added as implementing agencies. For an insightful overview of the ITTP, see Dong Hoon Seol, “NGOs, Trade Unions, and Employers Associations in Contested Terrain: Mobilizing the Public Opinions for/against Foreign Labor Policies of Korea, 1995–2005,” paper presented at the International Studies Association Annual Meeting, Honolulu, 2005.

This was apparently preferable to losing the $300 that companies deposited with the KFSB to ensure they retained the migrant. Recruiters also had to deposit $100 with the KFSB, returned only after the migrant left the country. See Kil-Sang Yoo, Korea, OECD Country Report (Paris: Organisation for Economic Co-operation and Development, 2003).


With a long history of anti-government activism, civil society in South Korea is strong. As of 2004 there were at least 150 migrants’ rights organizations. On the role of civil society groups in expanding migrants’ rights, see Timothy Lim, “Racing from the Bottom in South Korea? The Nexus Between Civil Society and Transnational Migrations,” Asian Survey 43, no. 3 (2003): 423–42.


This is sometimes translated as the Employment Permit System (EPS).

The ITTP still exists, but in miniature form. Companies with foreign subsidiaries can recruit trainees, though the program operates on a much smaller scale than in the past.


However, the state’s initial reluctance to build a smooth road of entry for some co-ethnics suggests that its moves do not resemble those of the Japanese government, which cloaked its co-ethnic labor migration scheme in internationally acceptable standards. On the politics behind co-ethnic entrance policies, see Nora Hui-Jung Kim, “Korean Immigration Policy Changes and the Political Liberals’ Dilemma,” International Migration Review 43, no. 2 (2008): 576–96.

Not formally a type of labor migration, marriage migration may, in practice, serve as another means to the same end. Three-quarters of foreign women who enter marriages through brokers cite economic reasons as the main motive behind their move, and they have a higher rate of
participation in the labor force and work longer—an average of 47 hours per week—than do Korean women: see Dong Hoon Seol, “Women Marriage Immigrants in Korea: Immigration Process and Adaptation,” Asia Pacific Forum 33 (2006): 32–59. Bachelors may take on spouses as a cost-saving extra hand in the family business or a cheaper version of a domestic worker, and some foreign brides view marriage as an easier path to enter the labor market than applying for an EPP visa.


51 Small-scale “marriage counsellors,” who received both matchmaking fees and a bonus for successful marriages between Koreans, were increasingly edged out by larger “marriage information businesses” that did not collect bonus fees, and many counsellors turned to the international marriage market for new customers: see Dong Hoon Seol, “Women Marriage Immigrants in Korea: Immigration Process and Adaptation,” Asia Pacific Forum 33 (2006): 32–59.

52 The competition is much tighter in the popular Vietnamese market than in the Chinese or Filipino markets: see Dong Hoon Seol, “Women Marriage Immigrants in Korea: Immigration Process and Adaptation,” Asia Pacific Forum 33 (2006): 32–59. The system is based on the business model set up in Taiwan in the late 1980s.

53 For many women participating, these partnerships represent an alternative entry on a labor recruitment scheme—and indeed many brokers sell it as such. However, only a minority luck into the ideal situation of being granted the independence to work, create a life of their own, and send money home. Many are shocked to find themselves under the thumb of domineering mothers-in-law, violence is common among the poor, rural men refused by Korean women, and an increasing number of these bachelors are tying the knot only to secure cheap domestic workers to care for aging parents: see Hyun Mee Kim, “The State and Migrant Women: Diverging Hopes in the Making of Multicultural Families in Contemporary Korea,” Korea Journal (winter 2007): 100–22.

54 Timothy C. Lim, “NGOs, Transnational Migrants, and the Promotion of Rights in South Korea,” in Local Citizenship in Recent Countries of Immigration: Japan in Comparative Perspectives, ed. Takeyuki Tsuda (Lanham, Md.: Lexington Books, 2006), 111–12, citing a 2006 policy report by Han and Seol, “Matchmaking Agencies and their Regulation Policies in Korea.”

55 Timothy C. Lim, “NGOs, Transnational Migrants, and the Promotion of Rights in South Korea,” in Local Citizenship in Recent Countries of Immigration: Japan in Comparative Perspectives, ed. Takeyuki Tsuda (Lanham, Md.: Lexington Books, 2006), 12.

56 Hovering around 1.22, South Korea’s fertility rate is the lowest in the world.

57 The law also narrowed the common-sense definition of “multicultural families” to include only unions between Koreans born in South Korea and foreigners. See Hyun Mee Kim, “The State and Migrant Women: Diverging Hopes in the Making of Multicultural Families in Contemporary Korea,” Korea Journal, winter (2007): 100–22, for an acute analysis of multicultural policies and marriage migrants.
110 **Kristin Surak**