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Factors Affecting the Labor Migrat to Thailand of People in Phonthong District, Champasak Province

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Abstract

This research are to investigate the factors that influence labor migration to Thailand in Phon Thong District, Champasak Province. The primary data for this study was obtained from household interviews conducted in the Phon Thong District of Champasak Province. Particularly, households in five villages where a greater number of workers migrate to work in the Kingdom of Thailand, like Khanat village, Sackmaung village, Samanh village, Xongxay village, and Phaling village, are 336 households. The Logit Model was used to determine the factors influencing labor migration to Thailand.

The research findings show that the gender of the household head, the amount of labor in the home, having access to routes, and household debt are factors that positively affect the increasing number of people migrating to Thailand to find jobs. At the same time, the factors that have a negative effect on the decreasing number of migrations of workers to work in Thailand are: agricultural production area, production efficiency, access to irrigation systems, and the ability to find jobs locally, which reflect the external pressure that causes the migration of labor outside the country.

According to an analysis of the effects of labor migration to Thailand on household economies, households with household members employed there have higher incomes, expenses, and household property than households without household members employed there, by 23.78%, 20.77%, and 21.26%, respectively. The average amount of money earned from working and bringing home to the family each year is 18,040.90 baht per person, which can significantly improve the quality of life in the household.

Keywords*:* labor migration, household economies, logit model

Background

The Kingdom of Thailand is recognized as an important transnational labor migration center in the Southeast Asian region. It serves both as a country that exports workers and as a destination for workers from other nations due to the increased demand for domestic labor, particularly for low-skilled positions that cannot be filled by Thai workers. This creates opportunities for foreign workers to fill the gaps.

According to the World Bank (2018), Cambodia accounts for 54% of all labor migration in ASEAN, with approximately 805,272 people migrating. However, when considering the size of the domestic population, Lao PDR has the highest proportion of labor migration in ASEAN, at about 13.67% of its total population.

The United Nations estimates that approximately 1.35 million Lao people live abroad, most of whom migrate for employment. Menozzi (2021) noted that Champasak Province has one of the highest numbers of migrant workers traveling to Thailand. In 2022, there were 54,695 workers from this province in Thailand, with Phonthong District having the highest number at 11,218 workers, according to the Department of Labor and Social Welfare of Champasak Province (2020).

Labor migration remains a prominent issue in many countries. Recently, several researchers have examined labor migration across various nations. For instance, Yormirzoev (2017) studied the factors influencing labor migration from Tajikistan to Russia, while Srilat Sukantha (2014) researched the transnational labor migration of Burmese workers in northern Thailand. Hanif, Islam, and Ahmed (2020) investigated the factors affecting labor migration in the agricultural sector, focusing on rural-to-urban migration. These studies highlight a variety of issues that depend on the specific conditions of each country.

In the context of transnational labor migration in Lao PDR, several researchers have contributed to the field. Bradley (2017) examined the remittances of Cambodian, Lao, and Burmese migrant workers, while the International Organization for Migration (2021) explored trends in labor migration from Lao PDR. Manivong, Cramb, and Newby (2014) studied how remittances contribute to increased rice production and agricultural output in southern Lao PDR, and Sita Chimmalat (2021) investigated the effects of COVID-19 on labor migration. Most past research has focused on labor migration behaviors, remittances, agricultural production, and migration patterns. However, there are limitations, particularly regarding the areas studied, the variables used, and the statistical tools applied.

Another area of interest is Group 7 in Phonthong District, Champasak Province, which is known for its rich agricultural production. Many villages in this area have access to irrigation, convenient roads, electricity, and proximity to the Mekong River, among other favorable conditions. This study aims to investigate the factors affecting labor migration from rural areas of Phonthong District to Thailand, providing insights to relevant stakeholders for policy promotion and potential solutions for the future.

The objective of the research

investigate the factors affecting labor migration from rural areas of Phonthong District to Thailand

Methodology

Population and Sample Groups

According to data from the Department of Labor and Social Welfare of Champasak Province, the total number of people migrating to work in Thailand in 2022 was 54,695. Phonthong District had the highest number of migrant workers, totaling 11,218, drawn from 71 villages across 9 village groups. Using Yamane's (1967) sample size calculation formula, this study identified a representative sample of 336 households. The target group was selected through a multi-stage sampling method, which included a total population of 2,083 households. The sample comprised 219 households without members working in Thailand and 117 households with members working there.

Data Collection

The data for this research is categorized into two types based on the source: primary data and secondary data.

Primary data were collected from households in five villages such as: Saman Village, Song Chai Village,

Phling Village, and others in Phonthong District, Champasak Province, using questionnaires administered through face-to-face interviews for greater accuracy.

Secondary data were obtained from various sources, including theoretical reviews, related documents, and research projects. This includes information on labor migration from Champasak Province, specifically from the Department of Labor and Social Welfare, which provided reports on the numbers of labor migrants to Thailand in Phonthong District.

Data Analysis

To test the factors that affect labor migration to work in Thailand among people in the rural areas of Phonthong District, Champasak Province, the Logit Model (Demaris, 1992) is employed. This model is estimated using the maximum likelihood method, with marginal effect calculations to explain the unit impact of the relationship between the independent variable and the dependent variable used in the model. Since the Logit model (Hole, 2013) features a dependent variable that is a binary dummy variable (with values of 1 and 0), it is essential to check for and address econometric issues, particularly multicollinearity, to avoid potential problems.

The model used to test the effect of labor migration is expressed as follows:

$$\text{Ln}\left(\frac{\text{Pr}(\text{DTH}=1)}{\text{Pr}(\text{DTH}=0)}\right)_{ij} = \beta_0 + \beta_1(\text{HC}_{ij}) + \beta_2(\text{EF}_{ij}) + \beta_3(\text{QF}_{ij}) + u_{ij}$$

In this context, DTH indicates whether a household has a member who has migrated to work in Thailand, defined as a dummy variable where 1 represents households with a member working in Thailand and 0 represents others. Here, β_0 is the intercept (coefficient of the independent variable), while β_1,β_2 and $\beta_3$are the slope coefficients for each independent variable. The terms i and j denote the household and village, respectively, while u_{ij} is the error term.

To analyze the impact of labor migration on the household economy, a multiple regression model is used, estimated via the Ordinary Least Squares (OLS) method, focusing on household income. This is represented by the following equation:

$$\text{Ln}Y_{ij} = \alpha + \beta_{ij}TF_{ij} + \varepsilon_{ij}HC_{ij} + EF_{ij} + u_{ij}$$

In this equation, Y_i represents the economic value of the household, measured in kip based on household income. TF_{ij} represents the factor of going to work in Thailand, while HC_{ij} denotes household characteristics. EF_{ij} encompasses economic factors, including various sub-factors, as the variables analyzed are quantitative. When utilizing cross-sectional data in this study, issues such as multicollinearity (Gujarati & Porter, 2009) and heteroskedasticity may arise. If these problems occur, they can distort the estimates and affect the coefficients' size and sign. Therefore, this study carefully examines and addresses these economic issues beforehand.

Results

The results from the interviews with the sample group indicated that, in the study area, the average household size is 2.71 people. Among those who migrate to Thailand for work, 53.40 percent are female. The average age at which individuals first travel to Thailand is approximately 21.80 years, with 12.96 percent being under the age of 18. Most migrant workers are unskilled laborers, with only an ordinary level of education; 68.48 percent have completed primary or junior high school, and 15.43 percent have not finished primary education.

Many of those who migrate to Thailand come from families primarily engaged in agriculture, particularly farming and gardening, which accounts for 65.74 percent of the population. Since the outbreak of COVID-19, most workers returned home; however, nearly all of them returned to Thailand once the situation normalized. The types of work that Lao migrants undertake in Thailand are predominantly in the service sector, including positions in supermarkets, restaurants, bars, entertainment centers, hotels, and cleaning services, covering up to 44.45 percent of employment.

Lao workers are able to adapt to the environment more quickly than workers from other countries, due to shared language and culture, which facilitates communication with employers and customers. Secondary job opportunities include positions in industrial factories and the agricultural sector.

The baseline survey revealed that before migrating to Thailand, these workers had an average income of 766,585.93 kip per month. After migrating, their average income rose to 9,283.95 baht per month, or about 5,570,000 kip per month. In order to work in Thailand, they spent an average of 3,554,938.27 kip per person per trip, with over 95.00 percent of their earnings sent back home to support their families. Interviews with heads of households showed that more than 70 percent believe their living conditions have improved since migrating.

The analysis of factors influencing labor migration to Thailand among the residents of Phonthong District, Champasak Province, identified seven significant factors: the gender of the head of the household, the total labor force in the household, agricultural production area, production efficiency, access to irrigation systems, availability of access roads in both seasons, and household debt burden.

Regarding the impact of labor migration on household income, the analysis revealed that all independent variables used in the model explain 32.63 percent of the variance in household income, with an F-statistic value of 8.51 and a significance level of Prob > F = 0.0000, which is less than the statistical significance level of 0.01. This indicates that the income equation is reliable for estimating changes in household income with a statistical confidence of 99 percent.

When examining the specific factors, significant contributors to household income include: the presence of household members working in Thailand, the gender of the head of the household, the primary occupation of the household, the total workforce in the household, the agricultural production area, access to irrigation systems, tractor ownership, the presence of a rice threshing machine, and the number of cattle and buffalo owned by the household.

Conversely, factors such as the age of the head of the household, highest level of education, number of household members, number of members currently studying, production efficiency, agricultural area affected by natural disasters, land ownership, access to convenient roads, and the ability to find local jobs were found to have no statistically significant effect on household income.

Table 1: The results of the analysis of factors affecting the migration to work in the Kingdom of Thailand of the people of Phonthong District, Champasak Province, using the Logit Model

Independent variable		Marginal effect		
		dy/dx	Z	P>|z|
Household Characteristics (HC)				
gender	Gender of the head of the household	0.1214157**	1.97	0.049
age	The age of the head of the household	-0.001573	-0.55	0.580
edu	the highest level of education	0.0491108	0.43	0.671
mem	Total number of members	0.0723016	1.22	0.222

lab	number of workers in the household	0.0728981**	2.40	0.016
stud	Number of members currently studying	-0.017712	-0.52	0.604
occu	the main occupation of the household	0.0007921	0.04	0.970
Factor Access Factor (FF)				
area	Agricultural production area	-0.035063*	-1.83	0.068
fef	Productivity	-0.868745***	-7.87	0.000
floo	Agricultural production area affected by disaster	0.0996515	1.47	0.142
trac	Having a tractor in the household	-0.0121846	-0.15	0.879
fru	Having a car in the household	-0.0109968	-0.14	0.887
catl	Number of cows and buffaloes in the household	-0.0093844	-1.49	0.137
deb	The existence of household debt	0.2289026***	4.28	0.000
irri	Having access to an irrigation system	-0.142846**	-2.44	0.015
oln	The right to own land	-0.0828147	-1.29	0.197
Environmental factors (EF)				
km	The distance from the village to the border crossing	-0.0069128	-0.63	0.531
raod	Access to both seasons	0.1253985*	1.69	0.092
wate	Access to water	0.0091766	0.12	0.905
work	Ability to find work locally	-0.1759075**	-2.36	0.018
Cons	constant			
Number of obs = 336				
LR chi2(12) = 203.45				
Prob > chi2 = 0.0000				
Pseudo R2 = 0.4684				
Maxginal effect after logit				
y = Pr(th) (predict)				
= 0 .77945709				

Data source: obtained from interviews with 336 sample respondents and the researcher's analysis
Note: *,**,*** denote statistical confidence levels of 90, 95 and 99%

Conclusion

In conclusion, the factors driving the migration of workers to Thailand include economic pressure, a lack of support for living, and household-specific circumstances. Nonetheless, having a member of the household work in Thailand has been shown to improve the household's economic position, particularly in terms of income. However, there are concerns about inappropriate behavior among workers when returning home, the risk of being exploited for work in neighboring countries, and the challenges related entities face in managing follow-up activities.

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