



# CLIMATE CHANGE, MIGRANT WORKERS AND HUMAN RIGHTS: INSIGHTS FOR BUSINESSES IN SOUTH-EAST ASIA

Migrant workers employed in agricultural farm in Mae Sot, Thailand. © IOM 2022/Javier VIDAL

## KEY MESSAGES

- Climate change and environmental degradation are exacerbating the economic stresses that drive many people across the Asia and Pacific region to migrate internationally in search of work in Southeast Asia.
- Many migrants are people who relied on natural resources for their livelihoods and have experienced significant economic losses due to environmental degradation and climate change in their countries of origin, which may have pushed them into debt.
- Business and government practices in both origin and destination countries are major drivers of vulnerability. Actions that forcibly displace people, limit their access to crucial natural resources, and cause environmental harm, have profound local impacts and lead people to migrate. Exploitative recruitment and employment practices, in turn, some of which amount to forced labour, exacerbate migrant workers' vulnerabilities.
- The UN Guiding Principles on Business and Human Rights (UNGPs) call on businesses to improve social and environmental standards and due diligence practices to protect the human rights of all workers, including migrants, in their own operations and across their supply chains. Many companies are taking action, responding to policy mandates in the European Union and beyond, as well as to the demand from consumers who want to buy ethical products.
- Business leaders seeking to heed the UNGPs' call have many resources they can draw on, including practical guidance from the International Organization for Migration (IOM), the International Labour Organization (ILO) and others, that can help them align their policies and practices – and those of their suppliers – with social responsibility priorities.
- Certification programmes that build on multi-stakeholder collaboration can also contribute to improving business policies and practices and protecting migrant workers, particularly if they raise standards while also helping small and medium-size enterprises to achieve compliance.

Asia is highly vulnerable to the impacts of climate change,<sup>1</sup> and the most disaster-prone area in the world.<sup>2</sup> Over the past 11 years, nearly 80 per cent of all disaster-related internal displacement worldwide occurred in this region. This is not only due to its geography and high population density, but also to social, political and economic factors that turn hazards such as floods and droughts into disasters.<sup>3</sup> Poverty makes it harder for people to cope with climate shocks or to adapt to changing conditions. Within communities, inequality and various forms of discrimination and marginalization can further deepen vulnerability.

For many people, migrating for jobs in relatively wealthier countries can offer a chance to earn significantly more than they could at home. This can be particularly attractive to farmers facing increasingly severe climate change impacts. If individuals can migrate safely and regularly, and have decent work and adequate accommodation, they, their families and their communities of origin may all benefit, as the earnings can be used to acquire assets, start a business, pay for education, and generally improve living standards. That, in turn, can make them more climate-resilient.

Far too often, however, migrant workers experience exploitation, during recruitment, on their migration journeys and at work. The latest Global Estimates of Modern Slavery report found forced labour was three times more prevalent among migrant workers than among local workers.<sup>4</sup> Irregular migrants are particularly vulnerable, as they may fear contact with the authorities. The COVID-19 pandemic may have exacerbated the risks of abuse.<sup>5</sup>

This brief provides insights for businesses on climate change, labour migration and human rights, drawing on a [joint study](#) by the International Organization for Migration (IOM) and the Stockholm Environment Institute. The study focused on migrant workers from Bangladesh and Indonesia employed on large palm oil plantations in Peninsular Malaysia, and on migrant workers from Cambodia and Myanmar employed on small-scale sugarcane plantations in Thailand's border regions. The first part of the brief summarizes the main findings of the study; the second part provides recommendations specifically for businesses, guiding them on how they could contribute to climate resilience by promoting ethical recruitment and decent work for migrant workers impacted by climate change and environmental degradation.

## THE BUSINESS CASE FOR PROTECTING MIGRANT WORKERS' HUMAN RIGHTS

For businesses, the exploitation of migrant workers anywhere along the supply chain poses both serious ethical concerns and reputational risks. Failing to address those issues could affect their profits, as businesses are under growing pressure to prove that their supply chains are free from environmental and human rights abuses.<sup>6</sup> Consumers and corporate buyers increasingly choose to buy goods they perceive as having been produced in a socially and environmentally sustainable manner, including decent work conditions – and at least in some markets, brands that prioritize those concerns enjoy stronger growth.<sup>7</sup>

Customers, civil society and governments evaluate business activities by international standards, such as the UN Guiding Principles on Business and Human Rights,<sup>8</sup> as well as expecting them to comply with the laws and regulations of the countries where they operate. States are also pushing businesses that want to participate in their markets to comply with mandates to eliminate forced labour and modern slavery in global supply chains. This is the case in the European Union, the United Kingdom and the United States, for instance.

Most recently, on 23 February 2022, the European Commission proposed a Directive on Corporate Sustainability Due Diligence.<sup>9</sup> This Directive would require large companies operating in the EU market to proactively understand and manage potential and actual adverse human rights and environmental impacts in their supply chains, even if these risks occur outside of Europe. Consequently, business enterprises themselves are faced with a need to identify and address human rights-related and environmental risks in their operations and supply chains, including in relation to migrant workers.

## INSIGHTS FROM INTERVIEWS WITH MIGRANT WORKERS

The study included interviews with 43 migrant workers in Malaysia (38 men and five women) and 45 migrant workers in Thailand (roughly equal numbers of men and women). The sample size enabled the researchers to conduct in-depth interviews and gather diverse perspectives, but it is not necessarily statistically representative, so the findings cannot be generalized to all migrants. In addition to the interviews with migrant workers, the study gathered insights from a broad range of stakeholders and experts, including employers and other private sector actors, local and authorities, national government representatives, civil society organizations, and academics. It also included a review of policy documents and the research literature.

The goal of the study was to shed light on how actors in both the public and private sectors can help improve conditions and, by doing so, contribute to building climate resilience among migrant workers and their communities. The following findings emerged:

**The migrant workers' stories suggest that economic and environmental drivers of migration are inextricably linked.** Socioeconomic factors play an important role (and, in Myanmar, also the current political situation), but climate change is adding to people's economic struggles, particularly for those who rely on natural resources for their livelihoods, as crop yields decline and disasters destroy homes and farmland and thus directly impact their income. Several migrants had also been affected by infrastructure projects, such as the construction of dams and roads, that limited their access to natural resources and/or caused environmental degradation.

**The conditions under which workers migrated varied significantly.** Migrants from Bangladesh and Indonesia who were interviewed on large-scale palm oil estates in Peninsular Malaysia had migrated alone, without their families, and had work permits tied to specific employers, per the current legal migration process in Malaysia. In contrast, a large share of the interviewed workers from Cambodia and Myanmar had migrated to Thailand irregularly, often with their families, and worked short stints on each plantation before moving on to another. Some migrants who had entered Thailand through regular channels reported incurring debt to cover the costs. In Malaysia, most of the Bangladeshi workers interviewed had migrated through the Government-to-Government (G2G) programme or its successor, G2G Plus, so they reported paying relatively low fees – an average of USD 420 – while Indonesians said they had paid an average of USD 180.

**Irregular migrants working on smaller sugarcane plantations in Thailand described exploitative and abusive conditions.** Many were paid piece rates that were too low to earn minimum wage even if they worked very long hours – up to 14 per day – and even those on fixed salaries earned only USD 7–8 per day, still below minimum wage. The workers also lacked written employment contracts and said their personal documents were withheld – an indicator of forced labour. In contrast, on large palm oil estates in Malaysia, working hours were regulated, and although piece-rate pay was also common, the incomes reported by workers – USD 340–670 per month – appeared to be at least minimum wage.

**Migrant workers interviewed in both countries reported being exposed to health hazards associated with extreme heat as well as the usage of pesticides.** This affects their ability to work and their health. Sugarcane workers in Thailand said they were not provided personal protective equipment. Workers on palm oil estates in Malaysia said they did get protective gear, but they found it difficult to use on extremely hot days. Migrants working in irregular situations in Thailand also experienced precarious living conditions, housed in open-air structures within or near the farms, which is not climate-resilient, especially in cases of heavy rain or extreme heat. Housing on large palm oil estates was of higher quality, in concrete structures, and workers have access to various facilities. In both Malaysia and Thailand, migrants described restrictions to their mobility, due to their remote locations, and in Thailand due to irregular migration status. They also noted different types of discrimination, and women reported being harassed.

**The extent to which labour migration appeared to be helping migrant workers to build climate resilience varied significantly.** Overall, most of the migrants interviewed appeared to benefit economically, but while Bangladeshis in Malaysia reported sending home, on average, USD 413 per month, and Indonesians, USD 270, the remittances from Thailand were much lower, averaging USD 67 for Cambodians and just USD 25 for migrants from Myanmar. There were large differences in how the money was used with lower-income households covering basic needs and repaying debts, while those who were relatively better off were able to improve their living conditions (such as building better housing, buying land and paying for education) – and, thereby, their climate resilience.



Migrant worker on their way to agricultural farm in Mae Sot, Thailand. © IOM 2021/Javier VIDAL

# TOWARDS A MORE SUSTAINABLE AND CLIMATE-RESILIENT FUTURE

As the impacts of climate change and environmental degradation intensify across Asia and the Pacific region, it is crucial to ensure that all people – particularly those who are now vulnerable due to poverty, marginalization and limited livelihood options – are able to adapt and become more resilient. In line with Pillar 1 of the UNGPs, it is governments' duty to protect human rights, but **businesses also have a key role to play, by committing to social and environmental sustainability and respecting human and labour rights across all their activities.**<sup>10</sup>

A first step is to recognize that business and government activities can have disproportionate impacts on local communities – particularly on marginalized communities such as migrants, Indigenous peoples, or ethnic minorities – and their climate resilience. This means it is crucial to **engage meaningfully, inclusively, and in a sustained manner with those communities to protect their human rights and their livelihoods.** When projects require free, prior and informed consent (from Indigenous groups), they should be meaningfully consulted, and their lack of opposition should not be mistaken for actual consent, given that marginalized populations often have little say in decisions that impact their lives.<sup>11</sup>

**Businesses should not only seek to minimize the environmental footprint of their supply chains, but also help repair any past harm.** When feasible, businesses should support environmental remediation and landscape restoration more broadly, as it can greatly enhance climate resilience by restoring ecosystem services, diversifying livelihoods, and raising household incomes, among other benefits. By being better neighbours, businesses can significantly reduce the distress that drives many people to migrate. Another key area in which companies can make a difference is by **adopting fair and ethical recruitment and employment standards and practices of migrant workers, as recommended in IOM's Migrant Worker Guidelines for Employers.**<sup>12</sup> The Guidelines lay out principles businesses should adhere to in the management the labour migration process. They include covering recruitment fees and related costs, carefully selecting recruitment agencies and conducting due diligence on these recruiters, providing accurate and complete information for recruiters to share with potential workers, and recruiting migrant workers based on the skills required, not on assumptions about the desirability of workers of a specific gender, ethnicity or the ability to pay for recruitment.

**Businesses should also develop and implement human rights due diligence,** inclusive of migrant worker-specific challenges and gender dimensions, in order to identify, prevent and mitigate risks that can happen at any stage of the migration process, and at times of climate shocks. As risks can change over time, due diligence must be an ongoing process, involve meaningful stakeholder engagement and be transparent to the public. IOM's Fair and Ethical Recruitment Due Diligence Toolkit provides clear and practical guidance for companies to establish an effective process.

In addition, **businesses must commit to providing fair and equal treatment and respect fundamental human and labour rights of all workers,** including irregular migrant workers, who are at heightened risk of abuse and discrimination. This means employers should comply with relevant national labour laws in the destination country, including on minimum wage requirements, workplace safety rules, and basic social protections, such as access to health care. Whenever possible, employers should seek to obtain documentation for migrant workers with irregular status.

It is also crucial to **ensure that workers have access to effective grievance mechanisms in the workplace, as well as to state-based mechanisms,** so they can reach out to if their rights are violated. Meaningful engagement of migrant workers to design, implement and monitor remediation systems can help identify and address concerns in a sustainable way. This could be done in collaboration with civil society and expert international organizations.

**Larger-scale businesses must take greater responsibility to respect migrant workers' human and labour rights in their supply chains.** Large plantations, such as those in Malaysia where workers were interviewed, and businesses participating in certification schemes are often held to higher standards. However, gaps in certification schemes may allow for businesses to gain certification even while buying from suppliers who do not meet the standards. In addition, while smallholder farmers also employ large numbers of migrant workers, they may have limited resources, which increases the risk that they will hire irregular migrant workers and/or pay below the legal minimum wage.

In addition to carrying ongoing human rights due diligence, larger-scale businesses **must follow responsible purchasing practices within their supply chain to avoid a race to the bottom on human and labour rights.**<sup>13</sup> Compensation rates should be set high enough to enable all actors in the supply chain to bear the costs of recruitment, pay all their employees fairly – including migrant workers – and provide decent working and living conditions.<sup>14</sup> Larger businesses can also support their suppliers to help them achieve internationally accepted standards.

## ENDNOTES

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- 10 United Nations, 2011, "UN Guiding Principles on Business and Human Rights." Key messages from a climate perspective are also available; see: United Nations. n.d. "Human Rights, Climate Change and Business: Key Messages." New York and Geneva: Office of the High Commissioner for Human Rights. Accessed November 11, 2022. <https://www.ohchr.org/sites/default/files/Documents/Issues/ClimateChange/materials/KMBusiness.pdf>.
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See also the recommendations and good practices identified in: Mahendran, N. et al. 2022. "Cost of Recruitment in the Indonesia–Malaysia Migration Corridor: Employer Perspectives from Participating Plantation Companies." Bangkok: Earthworm Foundation and International Labour Organization. [http://www.ilo.org/asia/publications/WCMS\\_840109](http://www.ilo.org/asia/publications/WCMS_840109).
- 13 See <https://knowthechain.org/purchasing-practices-2/>.
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International Organization for Migration (IOM)

Regional Office for Asia and the Pacific

18th Floor Rajanakarn Building, 3 South Sathorn Road, Sathorn,  
Bangkok 10120 Thailand

Tel: +66 2 343 9300 | Web: [roasiapacific.iom.int](http://roasiapacific.iom.int)

Email: [mediathailand@iom.int](mailto:mediathailand@iom.int)