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Cost in Bangladesh: Challenges of Governing Migration in the countries of origin

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INTRODUCTION

The cost of recruitment of migrant workers of Asia to the Gulf Cooperation Council (GCC) countries as well as Jordan and Lebanon has been identified as one of the key issues that challenge the protection of migrant workers and reduce development impacts of international migration. Recruitment practices are one of the contributing factors to high cost of migration. Bangladesh is one of the major labour sending countries of South Asia where the cost of migration is very high. This paper attempts to develop an in-depth understanding on cost of migration in particular and role of recruitment industry in this respect. The main objective of the paper is to help the national and international policy makers with necessary information to reduce migration cost and ensure better governance in migration. The objectives of the paper therefore are to:

- Understand the significance of recruitment cost to the overall migration experience of the migrant
- Survey of the fee structure with a breakdown of the fees charged by the private recruiting agencies in Bangladesh and the employers and/or intermediaries in the GCC countries
- An analysis of sources of migration finance and conditions of loans
- An assessment of time required, in work months, to pay off the loan obtained to finance migration
- Understand the role of recruiting agencies in the migration process of Bangladesh and in protecting the migrants.
- Assess current regulatory process of recruiting agencies
- Finally, to make policy recommendations to origin and destination countries to address the high recruitment costs and to regulate recruiting agencies or intermediaries in both ends.

Research Methodology

The paper is mostly based on secondary information. This includes research publications, grey materials, monographs, workshop proceedings, and minutes of the inter-ministerial sub-committee on cost of migration of the government of Bangladesh, BMET and Bangladesh Bank data. Some primary data has been generated through interviews of government functionaries, members of private recruiting agencies, migration experts and civil society representatives. While analyzing cost different studies presented costs in different currencies. All those have been converted to US dollars by using the exchange rate of 1 June 2011. The first draft has been presented at the bi-regional workshop held in Beirut on 28-30 June 2011¹. The final draft incorporates comments received at the bi-regional workshop.

Structure of the Paper

The paper is divided into six sections including the introduction and conclusion. Section II sets the context of migration of Bangladeshi workers to the GCC countries, Jordan and Lebanon. It throws some light on patterns and trends of migration of Bangladeshi workers to those states and the flow of remittances and their impact on national economy. Section III provides evidence of differential costs of migration on the basis of skill, gender and types of visa. This section also deals with breakdown migration cost at the Bangladesh end and at the destination. It attempts to gauge the timeframe to recover the cost of migration. The same section throws light on the sources used by migrants to finance their costs. Section V presents the main features of the current regulatory framework and analyzes the role of recruiting agencies in matching the desires of migrant workers and the labour need of the employers in the destination countries. The final section draws major conclusions on the above issues. Based on the findings

¹ Strengthening Dialogue to Make Migration Work for Development in the ESCAP and ESCWA Regions, 28-30 June 2011, Beirut, Lebanon

Section II

Trends of Labour Migration from Bangladesh

Recently Bangladesh has been identified² as one of the next eleven countries having high potential to become world's emerging economics. One of the three elements which have contributed to such status of Bangladesh is labour migration and flow of remittance³. A World Bank study indicates that remittance flow has helped Bangladesh to cut poverty by 6% in FY 2006. The 6th Five year plan draft document highlighted that poverty has reduced more in those regions of Bangladesh where migration takes place⁴. In 2010 remittances were almost 12 times the foreign direct investment FDI flows to the country and around 6 times more than total foreign aid received. It enabled the country to maintain balance of payment surpluses for more than 6 years in a row, despite trade imbalances and stagnant FDI inflows. Therefore it is important to recognise the important role that the gulf and South East Asian labour receiving countries indirectly play in supporting economic development of Bangladesh.

History of Labour Migration

International labour migration from Bangladesh has a long history. Migration linked to trade and spread of spiritualism was common experience of those residing in the territory that now constitutes Bangladesh. In the early 1940s work opportunities in British merchant ships created new opportunity of migration for Bangladeshis. The migration route has taken various twists and turns since then, but voyages beyond borders in search of better life and livelihood still continues to be a major feature of Bangladeshi society and economy.

The present form of contractual labour migration mainly began in the 1970s to cater to the labour needs of the Gulf countries and later to countries of South East Asia. The foremost character of this type of migration is its short duration. This type of migration takes place on the basis of the specific job contracts. Almost all of those who participate in this labour market have to return to origin country on completion of their contracts. The UN convention on Protection of Rights of all Migrant Workers and their Family Members defined a migrant worker as a person who had been employed, is employed or going to be employed in a country of which he or she is not a national.

² By the Goldman Sachs, a renowned investment, banking and securities firm

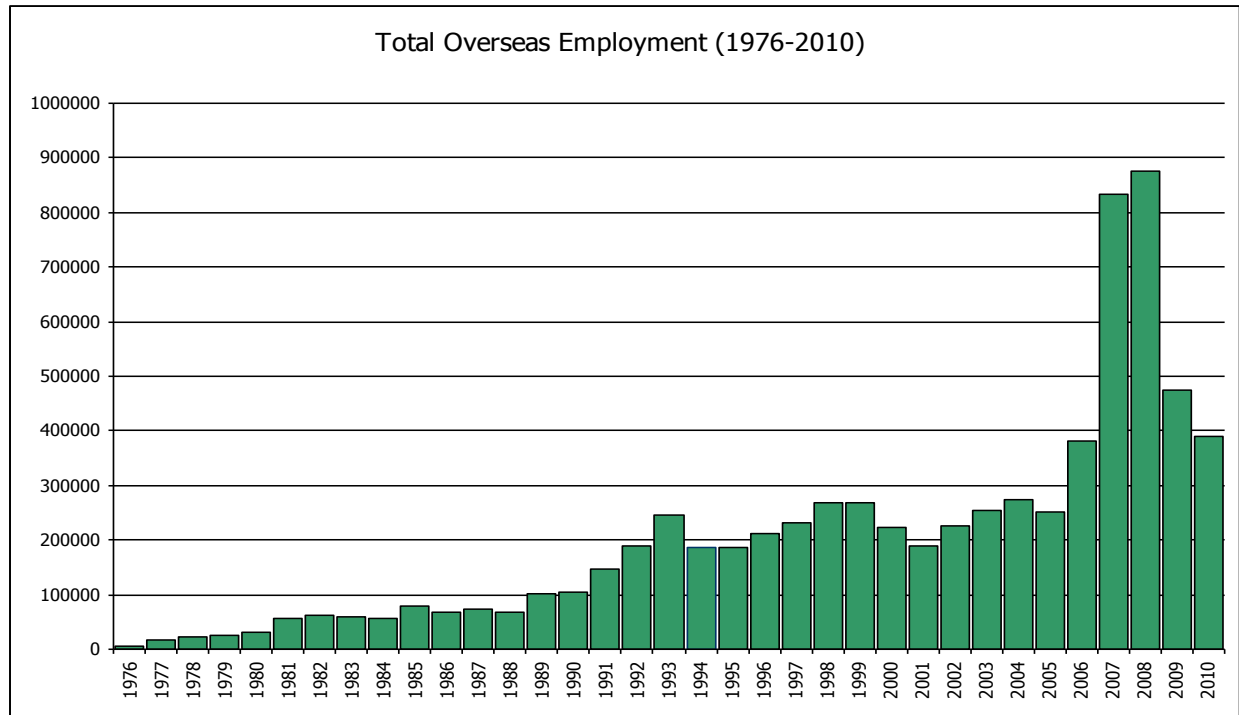
³ Hossain Zillur Rahman, 2011. The rest of the two are Garments manufacturing and service sector.

⁴ 6th Five year Plan

Annual Flow of Migrant Workers

According to Bureau of Manpower, Employment and Training (BMET)⁵ data, from 1976 to 2010, 7.1 million Bangladeshis has gone abroad as short term migrants. Graph 2.1 captures the growth of official labour migration flow over the last 33 years. The graph indicates that in 1976 migration flow from Bangladesh were less than 10,000. By 2008 it reached its peak (800,000). 2009 is the year of global financial crises which saw major downfall in labour recruitment by the traditional destination countries. Even then 400,000 people migrated for work from Bangladesh in that year. In 2010 the migration figure has not picked up. The first half of 2011 also shows the same trend.

Graph 2.1: Year Wise Trends of Overseas Employment



Source: Prepared by RMMRU⁶ from BMET data

Table 2.1 (Annex 1) presents country wise distribution of annual outflows of Bangladeshi workers in percentage share. The table shows Saudi Arabia, UAE, Kuwait, Qatar, Bahrain, Oman, Malaysia, Korea, and Singapore are some of the major receiving countries of Bangladesh. Table 2.2 indicates that GCC countries, along with Libya, Jordan and Lebanon still continue to be the major destinations of Bangladeshi workers. From 2005 till 2010, except for 2008, around 80% of the workers went to GCC countries. Saudi Arabia used to receive 60 to 70% of total Bangladeshi migrants during 1999 to 2004. Since then the share of Saudi Arabia started reducing. By 2009 and 2010 it has come down to 3% and 2% respectively. Migration to UAE is constantly growing since 2001. It is evident that the labour market of Bangladesh is not static. Drastic ups and downs of flow to different destinations are visible in year wise migration flow (Siddiqui, 2011).

Table 2.2: percentage of Bangladeshi workers in Libya, Jordan, Lebanon and GCC countries

Year	Migration to GCC (%)	Total migration
2005	82.34	252702
2006	80.67	381516
2007	58.28	832609

⁵ BMET is the executing agency of the Ministry of Expatriates' Welfare and Overseas Employment in governing migration.

⁶ Refugee and Migratory Movement Research Unit (RMMRU) is an affiliated body of the University of Dhaka. It is involved in research, policy advocacy and grassroots service mobilisation for the migrant workers of Bangladesh.

2008	74.11	875055
2009	79.44	475278
2010	79.56	390702

Source: Prepared from BMET data by RMMRU

Women Migration from Bangladesh

Since 1980s along with male workers, women also started taking part in the global contractual labour market, although in a very small proportion. During the early years, doctors, nurses and teachers mostly constituted the women migrants. However migration of semi skilled and lowly skilled women workers is a new phenomenon and constantly the number of women workers from Bangladesh remained very low. During the 1980s and 1990s when semi and lowly skilled women started migrating, the successive governments of Bangladesh put partial or complete ban on their migration as a measure of protection (Siddiqui 2001). In 2003 the Government relaxed such restriction. Between 1991 to 2000 female migrants constituted less than 1% of the total flow, after the relaxation of restriction during the years of 2005 or 2006, 6% of the total labour flow from Bangladesh was women. During the years 2007 and 2008 migration of men increased unprecedentedly. This has brought total share of women in these two years to 2.29% and 2.38% respectively, although numbers of women migrants have been increasing. In 2009 and 2010 total no of male migrant came down to almost half and share of women increased to 4.7% and 7% respectively.

GCC countries along with Libya, Jordan and Lebanon are the major destinations of Bangladeshi female migrants as well. Table 2.3 shows since 2005, 90 to 99% female workers migrated to those countries. In 2009 and 2010 Lebanon received the highest number of female migrants (26,685) from Bangladesh, followed by UAE. Jordan, Libya, Bahrain, Saudi Arab, Oman, Qatar, Kuwait also receive female workers from Bangladesh.

Table-2.4: Female Migration to GCC States, Jordan and Libya

Year	Number	Percentage	Total migration
2005	13483	99.35	13570
2006	17427	96.57	18045
2007	17959	94.05	19094
2008	18672	89.58	20842
2009	20033	90.14	22224
2010	21904	88.18	24838
Total	109478	92.34	118550

Source: Prepared by RMMRU from BMET data

Skill Composition:

BMET has classified temporary migrant population in to four categories. These are professional, skilled, semi skilled, and lowly skilled. Doctors, Engineers, teachers and nurses are considered as professionals. Manufacturing, garments and other workers, drivers, computer operator and electricians are considered as skilled while tailor, mason etc as semi skilled. Domestic workers, cleaners, agro, labourers, hotel boys are classified as lowly skilled. The table 2.5 (annex 1) in general indicates a consistent level of comparatively high proportion of semi and lowly skilled migrant workers from Bangladesh.

Migrant Workers' Remittances

Remittance flow to Bangladesh has grown tremendously over time. It has increased from a paltry figure of \$ 23.7 million in 1976 to \$ 11 billion in 2010. Major increase is visible however is since 2002. In 2010, however, remittance grew only 3% compared to the previous year (Table 2.6). Traditionally 50% of the remittances used to come from Saudi Arabia. Since FY 2008-09 this share came down to around 30%, still, Saudi Arabia (2.7) is the single largest remittance sending country of Bangladesh. The USA is the second largest source country for remittances (17%). However this does not indicate that remittances coming from the US are migrants' remittances. This second position of USA is due to the fact that they are routed to Bangladesh

from different countries by Central Bank of the Bangladesh via USA. UAE's position is third (16.78%) followed by Kuwait (10.53%) and UK (8.26%)⁷. Altogether 65.61% of the remittance of FY 2010-2011 came from gulf region.

Section Conclusion: It is evident from section II that Bangladesh has a long history of migration. Contractual Migration has created international employment for 7.1 million Bangladeshis. Gulf countries are major destinations of Bangladeshi workers. Before, mostly male members participated in the short term labour market. Only recently a significant number of women are migrating formally as contract worker. Gulf is again the major destination for female workers. Since the 1980s remittances plays a major role in the economic development of the country. Such evidence leads us to conclude that contribution of Gulf countries in the economic development of Bangladesh quite significant when compared to western aid disbursing countries.

Section III

Probing into Cost of Migration

The main focus of this paper is to understand various dimension of migration cost. This section gives an idea about cost of migration in different GCC countries, Libya, Lebanon and Jordan. Item-wise breakdown of cost, impact of visa trading on cost, sources of migration finance of the workers, salary structure of the workers and recovery of cost are discussed in this section.

Costs of Migration

This section attempts to develop a clear understanding about how much a typical migrant has to pay to finance migration. A good amount of literature exists that deal with cost of migration⁸. Along with these research papers a few selected interviews of returnee migrants, government functionaries and recruiting agencies were also conducted.⁹ A direct answer to actual cost of migration is difficult to arrive at as cost varies on many factors such as skills, gender and the type of visa. Extent of involvement of intermediaries also shapes the costs.

Afsar's research (2009) based on 60 interviews of returnee workers showed that the average cost of male migration was \$1980 and for female it was \$857 (Table 3.1). Household remittance survey 2009 of IOM indicates that migrants on an average spent \$2738 when they migrated to the Middle East. IOM study also indicates cost of migration varied country to country. To go to Saudi Arabia and UAE migrants spent \$2740 on an average. For Kuwait, Qatar and Oman it was \$2397, whereas cost for Bahrain was \$3082. IOM's data however, does not distinguish between the cost of male and female migration. Recently RMMRU conducted a survey of 10,000 Bangladeshi workers who have been repatriated from Libya. It found that 74% of them paid \$2740 to \$4110 to bear their migration cost.

Interview of a government functionary in charge of emigration clearance for outgoing migrants provides a very recent update on cost of migration. According to him cost of male migration for Saudi Arabia recently has reached its highest peak and ranges from \$4000 to \$5400¹⁰. Migration cost for UAE, Oman and Libya again ranges from \$2700 to \$3400. In case of Bahrain and Qatar it is around \$2700. Saudi Arabia is a sought after destination as there is prospect of employment for a longer period. Although not all of them, but a section of the migrant can stay back and renew their contract once the initial contract is over. If the employer is willing a migrant

⁷ Table 3.6 in annex 1

⁸ Abrar 2008, RMMRU, 2008, Martin 2009 and Afsar 2009, IOM 2009

⁹ List of interviewees is provided in Annex 2

¹⁰ KSA has decided not recruit workers from Bangladesh for time being. Therefore very little opportunities is there to migrate to KSA. Few R/As are bringing very few visa and selling them at an exorbitant rate

can stay with the employer for his/her whole work life; or course through renewal or work permit at a regular interval by certain cost to the government¹¹.

On the basis of Gender: Compared to male migration, cost for female migration is much less. According to Govt. functionary, in case of UAE cost for women migrants varies from \$270 to \$950, in case of Lebanon it varies from \$400 to \$1000. Government is the sole recruiter in case of garment workers to Jordan. It costs as low as \$140 (Table 3.2). One can see cost of female migrants is much lower compared to male migrants. A simple arithmetic of demand and supply answers why it is so? Philippines and Indonesia recently have imposed ban on migration of women as domestic workers in KSA and Lebanon. Availability of women domestic workers are less compared to demand therefore employers are paying their commission to the R/A, paying airfare of the workers and other relevant costs. The government of Bangladesh has given permission of recruiting female worker to a few R/As. The Government maintains strict scrutiny of the process through direct interview of departing women migrants. These may have contributed in ensuring accountability of the recruiting organizations. However, a section of sub-agents and unauthorized R/As are still sending domestic worker to the Gulf through irregular channels. The cost of migration of those women is much higher than the government controlled process. Asfar (2009) found female migrant on an average were paying \$857 for overseas migration.

On the basis of types of visa: The cost also varies on the basis of type of visa available to individual migrant. Currently skilled, semi-skilled and lowly skilled Bangladeshi workers migrate to GCC states by obtaining four types of visa. These are *aqama* or work permit, free visa, *Umra* visa in case of Saudi Arabia and visit visa, particularly in case of UAE. Since almost half the Bangladeshi migrants have gone to Saudi Arabia *Umra* Visa constitutes a significant portion of the visas. Afsar (2009) found significant variation of cost of migration on the basis of type of visa. (Table 3.1) The average cost of migration on free visa stood at \$2,264. Fixed job contract visa on the other, costs at \$1407. *Umra* visa costs a migrant \$1,262. Free visa is also known as house visa. In Saudi Arabia it is known as visa 20. An Arab citizen can employ 8 persons in his house i.e. drivers, house workers, gardener, guard etc. Bangladeshis who are already employed in households usually obtain these types of visa from their employers for bringing in other family members or even just to make profit by selling that visa at home through friends or relatives. In these cases migrants are tagged with the household owner cum employer. The employer may or may not require the services from the workers whom he recruited. He allows the workers to work outside his house. If the worker is caught by the police the house master/employer has to verify that the worker is actually serving him. There are cases where employers do not employ the migrants adequately at the same time do not allow them to work outside. In such situation migrants flee and in the process become irregular. It is obvious that those who went abroad on *Umra* or Visit visa are not permitted to stay in the destination country for more than a few months and are not allowed to work. Some recruiting agents or sub-agents knowingly send migrants on *Umra* visa or Visit visa. In majority cases such migrants over stay there visa and take up employment through informal process.

Availability of company visas which are known as Visa 18 in Saudi Arab is much less than the demand in Bangladesh. Therefore, Bangladeshi migrants who are already working under house masters beg their employers for house visa¹². In these cases the house masters have to directly apply to the department of immigration with a hefty fee. Employers do not have any obligation to pay that fee as they may not employ these workers. On top of that some of the employers charge an unofficial amount for agreeing to bring a worker. Current migrants who secure such visas either bring their family members or sell those in their locality for making some profit. Therefore, emigration application fee, employers' financial benefit, air ticket, visa fee, BMET clearance fee all have to be paid by the intending migrants.

¹¹ The labour ministry of Saudi Arabia is recently considering that it would not allow any worker's visa to be renewed after 6 years (Gulf news cited in Prothom Alo, a Bengali daily on June 1, 2011). If this decision is carried out then the situation will change.

¹² Visa 20 of Saudi Arabia

On the basis of skill: It was seen earlier that, on the basis of skill level Bangladeshi migrants are classified into four categories: professionals, skilled, semi-skilled and lowly skilled people. This paper will not deal with the professionals. It will focus on other three groups. It is understood that the cost will vary according to skill level. It was found that cost of migration varies significantly on the basis of skill category. Unskilled workers pay more compared to skilled workers. According to BAIRA¹³ a skilled migrant pays 30% less compared to an unskilled worker.

Some low skilled professions are on great demand. Gate keepers in hospitals, cleaners in shopping malls, are some examples. The salary scale for these positions are very low, even then these positions are sort after as the migrants receives tips from individual customers. Such visas are sold in higher price. This, to some extent explains the reason for higher cost of migration of a section of unskilled workers.

Type of Recruiting Agents: The research on 10,000 returnees of Libya show that cost of migration through sub-agent were higher compared to those who went through licensed recruiting agent (R/A). 82% of those who went to Libya through sub-agent paid \$200000 to 300000, whereas 53% of those who went R/A paid such high price. Interestingly a small number of workers were recruited directly by the employers of multinational companies. They paid the least; their cost was less than \$1370.

Operation of market: It is also claimed that cost of migration is also determined by the operation of market. Depending on policy of government cost can go up in a specific country and then again it can go down after changes policy of the government. Currently for Bangladeshi workers very many migration options are not available. Therefore the cost of Saudi visa is very high. Once the Malaysian market is open for Bangladeshi workers the cost Saudi visa is likely to reduce.

Breakdown of Cost

This section attempts to develop a detailed breakdown of fees charged by the recruitment agencies in Bangladesh and in the destination by employers or other intermediaries. Getting an idea about the cost in the destination country is difficult. Therefore, research report on cost incurred in the country of employment is not readily available.

Since 1950s Labour migration is managed in Gulf countries under Kafala system. Individual countries have some variation in this system. Nonetheless in this system demand for bringing any overseas workers has to be placed before the concerned ministry by the employers who are known as Kafils (sponsors). The Kafil system arrived from Beduin principals of hospitality that sets obligation in the treatment and protection of foreign guest (Khan et al 2011). Kafils are supposed to assume full economic and legal responsibility for the employee during contract period. They are supposed to pay, the placement fee if any to government, Air ticket of the workers, commission to the R/A if they take their service and cost medical checkup. Therefore whatever costs we currently see being born by the migrants as cost in the destination is not legal.

Recently the government of Bangladesh has formed an inter-ministerial, inter-agency and civil society committee to look into avenues for reducing high cost of migration that currently prevails in Bangladesh. The committee has requested BAIRA, which is the association of recruiting agencies of Bangladesh, to frankly state different costs that they incur in conducting recruitment. Table 3.5¹⁴ gives the breakdown that BAIRA provided in both ends of migration, origin and destination. In case of Saudi Arab costs in destination involved emigration application fees, work permit and medical fees and cuts of intermediaries. Around \$1100 can be accounted under this three heads. Air fare, advanced income tax paid by the recruiting agencies, trade testing if it is

¹³ Bangladesh Association of International Recruiting Agencies

¹⁴ Prepared by RMMRU based on the submission of BAIRA to the committee.

skilled migration, contribution to migrant's welfare fund, data registration fee, medical check-up fee, recruiting agencies' service charge, entertainment of visa sellers, visa fee to be paid to the local embassies of destination countries, fee of local sub-agents are the major heads of costs. All these heads combine comes to \$979.35 as cost in Bangladeshi end. The total cost according to the recruiting agencies, covering the destination and Bangladesh end amounts to \$2000 in case of Saudi Arabia. In case of UAE it is \$1823 and for Libya \$1950.

The government of course did not accept BAIRA's breakdown of cost. The concerned officials of Bangladesh embassies in Saudi Arabia, Libya and UAE informed that as per the labour law of Saudi Arabia, employment visa application fee and visa collection fee should be paid by the employer; commission of recruiting agencies for their services should also be paid by the employer. Mission officials of other two countries as well were of some opinion that there is no legal basis to recognize them as cost¹⁵. Besides, actual cost at ground is much higher than what BAIRA¹⁶ has proposed.

Visa Trading in Destination Countries

In most of the Gulf countries Ministry of Labour, issues employment permit. In case of recruitment of women domestic workers, issuing authority is usually ministry interior. Work Visas issued by the governments on many occasions end up in the markets. The recruiting agencies/large scale brokers of the destination countries book those job visas with partial payment of placement fees. Once the booking is made, based on the paper signed between the authorities and recruiting agents, the latter usually sells all the visas at a higher price to the next tier of intermediaries in the destination countries. The recruiting agent or the brokers immediately makes huge profit and from that he makes full payment to the authority. The second tier of intermediary who could be a local, of other nationality or Bangladeshi, then sell those visas to the highest bidding recruiting agencies in Bangladesh. There are evidence of third, fourth tiers of intermediaries. They also buy some of the visas from the market. They sell these visas to individual workers i.e. relatives, neighbors, friends etc. A section of them are Bangladeshi migrants. They may not have been earning enough to recover the recruitment cost they paid while they migrated in the first place. Some of them have turned themselves into recruiters for extra income. All the tiers make some profit from visa selling. At the end these costs have to be borne by migrants. Therefore one can see that a huge cost is transferred to the shoulders of migrants which are incurred in the country of destination.

Shah (2008:80) provides some evidences on the practice of visa trading in some of the GCC countries. She quoted the Saudi Minister of Labour, who acknowledged that 70 percent of the visas issued by the government are sold in the black market and his government was determined to crack down on this¹⁷. The Bahraini Minister of Labour and Social Affairs regretted that the practice of visa trading has plagued the Bahraini job market for the last 20 years. The government undertook an investigation where 43 businesses were found to be engaged in such practice¹⁸. As early as 1997 the Kuwait Human Development Report identified the presence of visa trading as one of the factors that promoted the influx of foreign workers in Kuwait and advocated for curbing the practice¹⁹.

GCC states, Lebanon and Jordan have already initiated some reform processes, among other things to reduce cost of migration and scope of visa trading. Some countries are thinking of dismantling Kafala system and make labour market regulatory authority the sponsor instead of the employer²⁰ (Khan et al 2011). Some countries are thinking of creating scope for migrants to change their employers without the consent of the current employee. Some have framed standard contracts for all workers. To avoid non-payment, some countries have introduced the system of direct payment of wage in migrants bank account. All these are important signs of

¹⁵ Meeting minutes of fixing migration cost committee, 27-3-11

¹⁶ Bangladesh Association of International Recruiting Agencies (BAIRA)

¹⁷ The Arab News, Saudi Arabia, 29 April, 2004

¹⁸ The Arab News, 4 August 2004

¹⁹ Ministry of Planning, 1997 cited in Shah, 2008

²⁰ Bahrain

commitment from or the government or the destination countries towards enhancing the development outcome of migration.

The inter-ministerial sub-committee on migration cost determination has designed a list of areas cost of migration. Table 3.4 presents the breakdown. In the past US \$1142 was fixed as cost of migration for most of the GCC and South East Asian countries. This committee proposed to fix \$1391 for Saudi, \$1280 for UAE and \$1500 for Libya. The proposed costs chart gives an idea of what government is planning as practical given the current scenario. Nonetheless, in the beginning when we discussed current market price of migration it was seen that the actual cost is much higher than what the government is now proposing. Besides, it is also important to note that arbitrary determination of cost will not result in reducing the cost, rather the government should try to bring to notice of the authorities, the reasons which increases cost attempt to curb these practices.

Sources of Migration Finance

Profiles of emergency returnee migrants (RMMRU 2011) from Libya show that almost 40% of them have no or only up to 5 years of schooling. They belong to very young age group and did not have personal savings before migration. Family of 69% of the migrants family did not possess any arable land, 10% did not possess homestead land either. In most cases the migrants did not have the capacity to bear the costs. They borrowed from different sources. Same study identified 6 types of sources from where migrants gathered resource to finance migration. These are savings of immediate family members, sale or mortgage of family land, donation from extended family, credit from extended family and social network with or without interest and credit from money lenders, NGOs and Banks.

Siddiqui 2001, Siddiqui and Abrar 2003, Afsar 2000 and 2009, IOM 2009, RMMRU 2011 reveal that migrants heavily depend on immediate family for financing a section of the cost. Immediate family in many occasions looks at migration of one of the family members as income diversification or risk minimizing strategy of the entire family (Massey et al 1998). Therefore, father, brothers or sisters accumulate their resources to finance migration of one or more than one family members. Another important source for immediate family is mortgage of a section of their arable land. Person who take the land in mortgage in exchange of money, buy the right to cultivate the land for two to three years. Once the money is returned after verbally contracted period migrant's family takes back the land. It is obvious that if migrants or their families are unable to pay back the credit, they lose the title of the land to the person whom they mortgaged the land. Families also sell a section or entire land holding, cultivable or homestead and business. High cost of migration therefore reduces the resource and asset base of most of the migrants' entire family.

Extended family members as well as distant but relatively well-off relatives also make some contributions. Elaborate work is not available in the context of Bangladesh, Dang (2003) showed in the context of Vietnam family network plays a significant role in mobilization of resources. Migration finance is also gathered from oppressive social institutions such as *Dowry*. Anecdotal evidences show that family members of the migrants or the migrant himself take money from the brides-in-laws while marrying to finance migration cost. In greater Chittagong area, overseas jobs are also availed through marriage in the family of migrants. The migrant's family also borrows from relatives, co-workers or friends. They borrow money both with and without interest. Occasionally arrangements are as such that they pay the actual bank interest if the amount was kept on bank by the relatives. In recent years such arrangements are becoming less and less forthcoming. RMMRU study (2011) found that 10% of the migrants did not borrow money neither did they sold any land for migration. 62.2% gathered a section of the cost from own and extended family sources, 62.9% of them managed a section of the cost by borrowing from relatives with and without interest. 45.8% mortgaged or sold a section of their family land, 45.5% borrowed a portion or almost full amount from the money lenders. The interest rate for migration load is extremely high. It varied from 5% to 10% per month. Only 4.8% met a section of the cost from NGOs and Banks. Afsar however, found that 33% of respondents generated a section of the cost by borrowing from money lenders at a high rate of interest.

From the mid-2008, four commercial banks, Agrani, Pubali, Uttara, Mercantile banks had initiated migration finance loan programme. Of these three private banks did so under their Corporate Social Responsibility programme. Recent analysis of RMMRU (2011a) provides valuable insights on this. Till 2010, Agrani Bank provided \$7,808 with 10% annual interest to 3 migrants, Mercantile Bank provided \$20,548 to 15 migrants with an annual interest rate of 14%, and Pubali Bank provided \$1,78,082 to 79 migrants with 13% annual interest. This figure indicates that banks have measurably failed to provide loan to the migrants. Gap between migrants and traditional banks, current procedure of disbursing bank loan through, 'know your customer' process worked as hindrance. Recently the government has opened a new bank called Probashi Kallayn Bank in April 2011 with the resources generated from the subscription of the outgoing migrants. Providing loan to outgoing migrants is one of the goals of the bank. Since its inception the Bank has provided loan to 100 migrants as per their need with an interest of 9% recovery rate of the bank is also satisfactory. Till date recovery rate is 97%.

Salary in the Countries of Destination

According to contract submitted to government office for clearance, an unskilled worker earns \$133 per month in Saudi Arabia. In UAE it is around \$ 160. In Qatar it is \$170 and in Libya it is \$200 to \$250 (Table, 3.2). Woman domestic worker's salary is \$100 to \$150 per month in Lebanon. Garments workers in Jordan on an average earn around \$200. Those who work with the companies their accommodation is free. House workers receive both food and accommodation.

When migrants stay in the destination country for some time, they try to increase their earning by doing more than one job when possible, or by changing job or by getting involved in visa selling. That is why different research found the actual earning of a migrant who has been there for a year or so are higher than the contracted salary. Afsar' (2009) interviewees on an average earned around \$200 per month. Men earned around \$220 whereas women earned around \$100 per month. IOM (2011), found monthly average salary in the gulf country was \$271. These workers on an average stayed in gulf for 3 years. RMMRU study (2011) found average earning of the returnees from Libya at the time they left were around \$300 and their average period of stay were around 17 months.

Recovery of Cost

Siddiqui (2001), Abrar (2008), RMMRU (2008) and Afsar (2009) give good indication of work-months that male and female migrants have to spend to recover the costs. This study makes an estimate of man months needed to recover the cost of migration by combining information on cost of migration from government functionary interview, IOM (2011) and RMMRU (2011) data on cost of migration and monthly income of the migrants. The table 3.2 indicates that it would take the workers of UAE and Oman around 11.31 months, Qatar and Bahrain would take 10.06 months, Libya 10.22 months and around 17 months to recover the cost of migration to Saudi Arabia. The Saudi Arabian case reflects an extraordinary situation. Such a situation arised as migration of male workers has been stopped by the Saudi government. During the last 2 years only a handful of migrants could go to Saudi Arabia.

Female migrants are much better situated compared to male in this respect. In case of UAE migration cost is equivalent to 4.5 months' salary. Jordan is pleased in an excellent position. It will take a little more than half a month salary to recover their migration cost. Migration of women to Jordan is conducted under government to government arrangement and it is in its very initial stage. When or if the market is opened to private sectors of Bangladesh and Jordan situation may change dramatically. In the past same situation used to exist in case of migration of male workers. When it was open to private sector no of people migrating increased drastically but cost of migration also increased drastically but the wages of workers went down. Over the years migration has become unviable and risky for many.

Section IV Government Regulation for Recruitment

The government regulates the recruiting agencies under the 1982 Emigration Ordinance and the three Rules framed under the Ordinance in 2001. Recently, the government has taken

initiative to reform the 1982 Ordinance. The minutes of the meeting of the Emigration Act Reform Committee and various publications such as, Siddiqui (2002 and 2006) and Martin (2009) constitutes the sources for information for this section.

The Overseas Employment Act 2011

Bangladesh began participating in the international short term contract labour market in the mid 1970s. In 1982 an Emigration Ordinance was enacted, helping the Emigration Act 1922 to efficiently monitor and regulate emigration of workers from the country. This law was framed when overseas employers used to offer decent wages, holidays, yearly vacations, overtime, and commission to recruiting agencies as part of these labour recruitment deals. In the last 30 years, dynamic labour migration has changed dramatically. Major destination countries of Bangladeshi labour migrants, such as Gulf and Southeast Asian countries have become a 'buyers' market'. Workers are frequently cheated by intermediaries. They are exploited both at the origin and destination countries at every stage of migration. These trends have become general rules rather than exceptions. The 1982 Emigration Ordinance became inadequate to uphold migrants' rights and to ensure their protection. In the meantime, the Bangladesh government ratified the 1990 UN Convention on the Rights of All Migrant Workers and Members of Their Families (ICMW) without reservation. Therefore, it became necessary and expedient to reflect the Convention in the national legislation.

Under these circumstances, in 2009, the Ministry of Expatriates' Welfare and Overseas Employment (EWOE) formed an inter-ministerial committee including civil society representatives to update the lawⁱ. The committee suggested revision of four clauses of the law. The Law Commission of Bangladesh initiated another review process. The Refugee and Migratory Movements Research Unit (RMMRU), a specialist institution focussed on migration, provided technical expertise to review the 1982 Ordinance. A high level committee comprising government functionaries from the EWOE Ministry and its line agency, the Law commission and legal and migration experts drafted a new law. In April 2011, the expert committee handed over the draft to the Ministry of EWOE.

The new law entitled Migration and Overseas Employment Act 2011, has 32 sections. The aim of the law is to govern migration by ensuring migrants rights. The law upholds the principle of non-discrimination. It makes provisions for emergency return of migrants in case of crisis in destination country. To reduce fraudulent practices and to ensure accountability of recruiting agencies, the law introduces the concept of renewal of license on the basis of performance. It created legal provision for functioning sub-agents. With prior permission from the government, recruiting agencies will be able to appoint subagents and will provide identification to the subagents working for them. The recruiting agency will be liable if the subagents commit misconduct. In the past migrants directly could not go to court against the misconduct of a recruiting agency. The new draft law created scope for a migrant to file a civil and criminal case in any court if the Protector of Emigrant (the concerned government official) fails to file a case within the prescribed period. Earlier cases could be filed in four special labour courts of the country. Now migrant can file a case in any court in the country. The draft law has gone through civil society consultation, and is now being presented to the Ministry of Law, Justice and Parliamentary Affairs. Enactment of this law will bring qualitative changes in the governance of labour migration. Civil society needs to be vigilant so that vested interest group cannot change any important section of the draft while they are placed before the cabinet.ⁱⁱ

Overseas Employment Policy

With persistent demand from civil society²¹, the Overseas Employment Policy was enacted in 05 November 2006²². The policy, first of its kind in South Asia, ensures the right of the Bangladeshi male and female workers to freely choose quality employment. Within this Policy the government of Bangladesh commits to reduce irregular flow and increase the scope of regular migration from all areas of Bangladesh at a rational cost. It commits to protect the rights, dignity and security of its workers within and outside of the country, and to ensure the social protection of the families left behind and the assets of the migrants. The policy reiterated to consider misconduct in the recruitment process as an act against the national interest and to ensure accountability of all persons through strong legal action. It commits to encourage flows of remittance through official channels by ensuring hassle free and quick transfers, and support their effective and efficient utilisation. It also commits to assist in social and economic re-integration of returnee migrant workers. Most importantly it vouches for the allocation of greater resources to strengthen existing institutional infrastructure for the implementation of the above policies.

Although the Policy has been in place for last five years, the successive governments have not developed any comprehensive action plan to implement it. The Government is pursuing individual sections of the policy in a piecemeal manner. There is no monitoring and evaluation process built in to the policy. Given the current competition in global labour markets as well as the need for better protection of rights of workers, it is essential to develop a target-oriented action plan for implementation of BOEP with inbuilt monitoring and evaluation systems to achieve the goals of the policy, as well as for suggesting incremental changes in the policy.

Policy on Female Migration

Since 1981 the government of Bangladesh has imposed bans and restrictions on the migration of lowly skilled female workers. With continuous pressure from select civil society bodies, the government relaxed restrictions on migration of unskilled and semi-skilled women in 2003²³. Now lowly skilled women can work abroad as the principal migrant. Male migration from Bangladesh has been declining since 2009, whilst female migration is on the rise. However, female migrants face several problems at the country of destination. In many cases the females are confined at the residence and cannot communicate with others. They remain unreachable in case of emergency or threat. The Philippines has put a temporary ban of female migration. Indonesia has also stopped sending females to Saudi Arabia. Sri Lanka is also trying to expand its male labour market and reduce the flow of female migration. Under such circumstances, Bangladesh needs to be extra conscious regarding security for its female workers. Multilateral agreements involving all receiving and sending countries may go a long way in this respect. The government also needs to sign the Domestic Workers' Convention of the ILO 2011. In the compulsory 21-day training of the BMET, females should have country-specific brochures which will include general problems and redress mechanisms along with norms and rules of the particular job in the country of destination.

The Probashi Kalyan Bank

Probashi Kalyan Bank (PKB) was established in October 2010 through a parliamentary Act. The Bank has three aims: low cost, quick transfer of remittances, financing labour migration and financing investment loans for returnee migrants and their families. The total capital of the Bank is BDT100 million, 95% of which was received from the Wage Earners' Welfare Fund. This is a fund mostly generated by the contribution of departing migrants and GoB is the only the

²¹ In 1997 in a workshop entitled *National Responsibility towards the Migrants Workers of Bangladesh*, organized by Refugee and Migratory Movements Research Unit (RMMRU) on 18 December 1997 at CIRDAP Auditorium, Dhaka, Bangladesh. Demand for a comprehensive national policy on migration was first raised here.

²² Through consultation with all concerned persons on behalf of the technical assistance committee, Dr. Tasneem Siddiqui of RMMRU prepared the advanced draft.

²³ A research conducted by RMMRU on female migrants from Bangladesh (Siddiqui 2001) showed that a substantial number of women could make positive economic and social advancement in their lives through migration. This indicated that a large number of women would be able to move out of poverty if they were able to participate in the global labour market. Therefore, RMMRU initiated advocacy work to convince the government and civil society to withdraw restrictions on female migration - through seminars, workshops, TV programmes, documentary films, newspaper writings, awareness campaign trainings etc. Bangladesh Women Migration Associations (BWMSA), the Welfare Association of Repatriated Bangladeshi Employees (WARBE) and International Organisation for Migration (IOM) also organised campaigns through workshops, rallies and press conferences.

repository or the Fund. It is of immense importance that the Bank achieves its desired goals. One of its goals providing loans to departing migrants has been tried in the Philippines, Sri Lanka and Indonesia. All these countries, otherwise reasonably successful in governing labour migration, have failed miserably when it comes to migration finance loans. Migration loans from banks of these countries have ended in defaults. In Bangladesh, four remittance earning banks introduced migration financing loan programmes. They faced difficulties in reaching their targets. Therefore, the challenges for Probashi Kallyan Bank are enormous. Recently a policy dialogue was organised. Senior bankers suggested that as a specialised financial institution, this bank must forge partnerships with commercial banks and NGOs in processing, disbursement and recovery of migration loans. It can also use the extensive network of post offices in remittance transferⁱⁱⁱ. Most importantly the operation of the banking should be completely automated.

Migration Regulation in Practice

Labour recruitment from Bangladesh involves various ministries and agencies of government, private recruiting agents, their local and international intermediaries, potential migrants and their families. The Ministry of Expatriates' Welfare and Overseas Employment, Ministry of Home Affairs, the Ministry of Foreign Affairs, Ministry of Finance and the Ministry of Civil Aviation and Tourism are the four important ministries which deal with international labour migration. Bureau and Manpower Employment and training (BMET), technical training centres and district level BMET offices (DEMO), *Bangladesh Overseas Employment Services Limited (BOESL)* are the organisations involved in regulating and processing migration. Private recruiting agencies, their associations, medical centres and their associations, grassroots NGOs and civil society bodies also play important role.

Bureau of Manpower, Employment and Training (BMET): BMET is the executing agency of Ministry Expatriates' Welfare and Overseas Employment in respect to processing labour migration. BMET was created in 1976 by the government to ensure maximum benefit for labour export. Since the promulgation of the Emigration Ordinance of 1982, it has been working as the implementing agency of the Ordinance. Currently BMET is involved in all kinds of functions – control and regulation of recruiting agents, collection and analysis of labour market information, registration of job seekers for foreign employment, provide emigration clearance to job seekers, development and implementation of training programmes in light of specific labour needs both in national and international labour market, materialisation of apprentice and in-plant programmes in the existing industries, organising pre-departure briefing sessions, and resolving legal disputes. It also manages the programmes undertaken with Wage Earners' Welfare Fund.

Private Recruiting Agencies: Recruitment and placement are important stages in the overall labour migration process. In the 1970s the government performed functions of recruitment. Since 1981, as part of private sector development, the private recruiting agents took over the task. The private agencies work under a license from the government. On their own initiative they collect information on demands and orders for foreign employment. After taking permission from the BMET, the agencies are supposed to recruit workers as per specifications of the foreign employers then recruit workers from different parts of the country. BMET then processes their cases for deployment. Each recruited person has to be issued a clearance certificate from the immigration department of BMET. Over time, the recruiting agencies became organised under the Bangladesh Association of International Recruiting Agencies (BAIRA). The association was formed in December 1984 with representatives of twenty-three recruiting agencies. There are more than 800 licensed recruiting agencies operating in Bangladesh. According to BMET data 60 to 70 percent visas are acquired directly through workers who are deployed abroad. The rest are secured by the recruiting agencies. It is imperative that a systematic study be conducted on the role of the private recruiting agencies in overseas employment.

System of Dalals (Informal Agents): Recruiting agencies that purchase visas on their turn keep their margin and sell them to individual migrants. Almost all recruiting agencies are based in the capital city, Dhaka. It is not financially viable for them to have offices all over the country.

In this situation they recruit through a host or informal agents and sub-agents. It is estimated that there are more than 10,000 dalals in different migrant prone villages and districts of Bangladesh. These informal agents perform most of the important functions, i.e., provide information on migration opportunities, recruit workers and conduct financial transactions. The sole operation of recruitment at the grass-roots is conducted verbally; and payments are made without receipt. The dalal system has not been institutionalized. They are not formally registered with the recruiting agents they serve and do not possess any formal identification documents. This has created a situation where both recruiting agents and/or their sub-agents can commit fraud and evade responsibility. In this process a good number of those who wish to migrate are cheated and lose much of their assets while processing migration.

The 1982 Ordinance empowered the government to cancel and suspend licenses and forfeit security deposit if it is satisfied that the licensee's conduct is improper or is in violation of the law and the prescribed code of conduct. In the absence of any document, it is not possible on the part of the government to take action. In 2001, the then interim government prepared a strategy document. It prescribed recruitment of migrants through establishment of a data-base, or by registering the dalals with the recruiting agents. The next government in 2002 introduced the system of recruitment from database. Now there is a database of interested migrants at BMET and BAIRA. Technically the recruiting agencies are supposed to recruit from there. But in practice the recruiting agency recruit their clients on their own and enter their name as job seekers in the BMET database.

Civil Society Initiatives: RMMRU, BRAC, WARBE and a few other NGOs are disseminating information on cost and other important issues to those who want to migrate. However, such information campaign does not cover the whole of Bangladesh. In other areas, potential families of migrants received information from agents, returnee migrants, travel agents etc. The government does not ensure information on types of job available in different countries, cost required to migrate, recovery time frame, requirements of physical fitness etc. Therefore, it is very easy for the agents, travel agents or license recruiting agents to cheat them. When a person is not aware of his or her rights, it becomes almost impossible for them to assert these rights. While processing migration, they do not have access to names of licensed recruiting agents neither do they realize the importance of keeping papers. Before embarking on short-term contract migration, it is of immense importance that a migrant worker has at his or her disposal specific information about the destination countries, and his/her rights and duties under the legal regime of the receiving countries, cultural sensitivities and physical environment of the receiving countries. The migrant worker is either oblivious to these issues or all information he or she possesses on these issues are derived from verbal interaction with the dalals. The BMET conducts briefing programmes for workers recruited for four countries. These are Saudi Arabia, Malaysia, Kuwait and South Korea. These briefing programmes lasts only for two hours and its coverage of issues are also limited.

Section Conclusion: From the above discussions it is clear that the government of Bangladesh is trying to ensure good governance in migration by framing new laws, policies or by providing information. Civil society organisations are also working as bridge between migrants and different service providers. Recruiting agencies, to some extent, are affected by visa trading. They cannot stick to minimum cost limit set by the government. This is because the government's cost determination standard does not take into account the visa purchase cost.

Conclusions: The Recruitment Cost of Migration and Scope for Reform

This Paper attempted to understand the dynamics of high recruitment cost of contractual labour migration. It started with an overview of labour migration from Bangladesh. It highlighted that from Bangladesh mostly men migrate for overseas job. It is only recently number of women migrants are increasing. Last year, 7% of the total migrants were women. Bangladeshi workers mostly migrate within Asia; GCC countries, along with Jordan, Lebanon and Libya constitute their major destinations. 90 to 99% women during the last five years and 80% of total flow of workers, who migrated in the years of 2005, 2006, 2009 and 2010, went to the gulf countries.

Since the global financial crisis of 2009 Bangladesh has experienced negative growth in labour migration. Compare to 2009, migration almost came down to half. . Both male and female migrants of Bangladesh mostly take part in semi and low skill end.

Remittances sent by the migrants pay an important role in Bangladeshis development process. Almost 67% of the remittances in the last financial year came from GCC countries, Jordan, Lebanon and Libya The growth rate of remittance in 2010 was only 3% whereas in the previous decade it grew annually 15 to 30%. It is immensely important that Bangladesh looks into all aspect of labour migration and ensure effective governance in every respect. High cost is an important factor that curtails the ability of government to ensure protection of workers.

The paper found that in general migration cost from Bangladesh is high. It is in fact highest among the South Asian countries. Cost of migration however varies depending on many factors such as skills, gender, type of visa, agents of recruitment and policies of countries of destinations. Cost of male migration to UAE and Oman range from \$2700 to \$3400. In case of Bahrain and Qatar it is around \$2700. Due to restriction of Saudi government on recruitment of workers from Bangladesh, the migration cost of low and semi-skilled workers to Saudi Arabia is as high as \$4000 to \$5500. Women workers pay much less compare to men. Migration cost is as low \$140 to Jordan. Government to government agreement, strict scrutiny of cases by the government, use of limited number of R/As and demand for female workers in the destination countries are usually assigned for low cost of migration of women.

Migration cost also varies according to types of visa. Migrants pay more in case of “free visa” compare to work permit visa. Again unskilled workers pay 33% more in bearing their migration cost compared to skilled workers.

The paper also gave some idea about different heads of costs. In the destination countries, major heads are placement fees to be paid to some of the governments of GCC countries by employers for bringing unskilled and semi-skilled workers. Other costs include medical test, air fare and cuts made by of different tiers of visa traders.

At the Bangladeshi end, major heads of costs are contribution to migrant welfare fund, data registration fee, service charge of recruiting agents, service charge of sub-agents, visa purchase fee, trade testing, in case of skilled workers. It is evident from different heads that a large proportion of costs are un-official cost. It encourages the whole recruitment sector become in transparent. Current system has created scope of illegal trading of visa where the work permits issued by the GCC governments are sold by the brokers or recruiting agents. In Bangladesh the R/A, sub-agents, medical test organisations, all make their profit. In the process the cost of visa for poor migrants become very high.

The government of Bangladesh has under taken various legal reforms. It has also attempted to fix the highest limit of migration cost to be charged by the RAs. Unfortunately such fixing of migration cost will remain ineffective tool for reducing the cost of migration. This is because it does not attempt to resolve the issues in collaboration with the gulf Countries by pin pointing the reasons which actually increase the cost.

The paper then probes into how the migrant who are mostly poor accumulate such large amount of money to pay their cost of migration. It was found that migrant accumulate such resource from different sources. These include immediate and extended family network, mortgage or sell of immediate family assets, land, business etc. in recent years, credit facilities offered by local money lenders has emerged as an important source. Migrant take loan from money sharks at a rate of 100% annual interest. Some examples of loan facilities in low interest are recently being experimented.

An examination of the salary mentioned in the contracts submitted to the government for visa clearance reveals that job visas for the Saudi are cleared when salaries are \$133, in UAE \$160 in Qatar \$170 and in Libya \$225. Domestic workers’ salary in Lebanon range from \$100 to \$150

and salary of garment workers in Jordan is around \$200. Studies round that migrants increase their income by doing more than one job. It was found that unskilled and semi-skilled workers were earning \$270 on an average after a few years of stay in the Gulf.

With earnings of \$270 per month, a migrant would need 10 months to a year of earning of UAE, Qatar and Bahrain to recover the cost they paid to migration. As there is restriction imposed on migration of Bangladeshis to Saudi Arabia, those who go there will take as much as 17 months to recover the cost. Women migrant on the other, if migrate through formal system would need around 4.5 months or less to recover their cost.

From the discussion above it is concluded that, four major parties, the government of destination countries, origin countries, the employers and the migrant, no one gains from high cost of migration. It is the middle men at both ends, who make undue profit. Therefore if cost of migration can be reduced, the migrants would not have to borrow in high interest from the moneylenders nor would their families lose their valuable assets and business. They would be able to make their migration an economically beneficial experience. The Government of Bangladesh will face fewer problems in governing migration and the national economy will reach its target of becoming one of the emerging 11 economies of the world.

The governments of Gulf countries will receive greater respect as effective development partners of countries like Bangladesh. The current process of some of the developed western countries of treating misconduct in migration as trafficking and humiliating the Gulf States as well as the governments of countries of origin can be addressed. Productivity in Gulf countries will be enhanced through the presence of a motivated work force, who will not attempt to flee from current jobs for better paid work. In order to reach such a win-win situation, the cost of migration needs to be reduced. Following are recommendations towards this goal.

Scope for Policy Reforms:

- **For Bangladesh:** The MEWOE should either strictly eliminate the sub agent system, or formalize them through tying them with the recruiting agencies. If the Government is keen to eliminate the middlemen, it should establish a nationwide system of online registration of jobseekers.
- The Government of Bangladesh should award those recruiting agencies who are bringing in job contracts at a low cost.
- Money lending is an illegal trade in Bangladesh. Strong action needs to be taken by the GoB against the money lenders who lend money to the migrants' families at 100% annual interest.
- The Government has established a migrant bank, named the Probashi Kallyan Bank (PKB). PKB is not just a bank for the migrant, it is also a bank of the migrant as 90% of its capital came from migrants contributory fund. Migration finance loans should be its main activity. It should immediately develop a set of credit principles to govern the loan programme so that the intended beneficiaries can avail the low interest loans. It will reduce the loss of asset of many migrant families and free many migrants from debt migration.
- The GoB should inform the governments of GCC countries about the ill effects of visa trading and how the placement fees, plane fare and medical test fares are being transferred to the shoulders of poor migrants by the intermediaries of GCC and Bangladesh.
- Bangladesh needs to collaborate with other origin countries and attempt to bring an agreement on common minimum standards including cost and wage. Bangladesh may take lead in convincing other origin countries to work together to encourage practice of multilateral negotiations with the destination countries instead of bilateral ones on issues such as cost, entitlements and wage.
- The civil society of Bangladesh in collaboration with global civil society forum such as Migrants Forum in Asia (MFA), Migrants Rights International needs to mount a global campaign against machination of visa trading. It should also campaign for re-

establishing the previous system of payment of plane fare and placement fees by the employers.

- **For GCC Countries:** Different governments of GCC countries are considering substantive reforms to better govern the immigration of contractual workers to their countries. ESCWA can organize inter-Governmental meetings of GCC countries to encourage sharing of experience of governments in reducing scope for visa trading, reform of Kafala system, ensuring non transfer of placement fee on the migrant etc. Such initiative will eventually result in development of a new and pragmatic system of migration governance in the Gulf.
- An in-depth empirical study has to be conducted which will provide clear understanding of operation of intermediaries in both ends.
- The wages of lowly skilled and semi-skilled workers remained static for quite a long time. Bangladesh along with other origin countries can collectively urge the GCC countries to look into scope for increasing the wage.
- A large number of women migrate as domestic workers. In order to bring them under labour laws, the governance of migration of domestic workers needs to be brought under the Ministry of Labour instead of the Ministry of the Interior of the Gulf Countries.
- ESCAP and ESCWA can consider commissioning collaborative research of scholars of GCC states and origin countries to develop recommendations which hold the interests of both origin and destination countries as well as those of the migrants and the employers.

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Annex 1
Table 2.1: Year wise % of workers by destination (1976-2010)

Year	K.S.A	Kuwait	U.A.E	Qatar	Libya	Bahrain	Oman	Malaysia	S.Korea	S.Pore	Others	Total
76-80	16.35	10.08	27.89	10.13	7.17	4.45	11.03	0.02	0.00	0.35	12.54	99189
81-85	31.11	11.63	10.70	7.54	4.48	3.56	15.07	0.01	0.00	1.01	14.90	312177
86-90	45.59	11.08	13.78	8.31	2.74	4.10	8.32	0.50	0.00	0.20	5.38	416334
91-95	47.66	13.16	7.02	1.13	0.79	2.31	10.11	15.78	0.52	0.71	0.81	953632
1996	34.35	9.94	11.25	0.05	0.93	1.78	4.11	31.47	1.30	2.51	2.32	211714
1997	46.10	9.14	23.68	0.81	0.84	2.17	2.59	1.23	0.38	11.86	1.20	231077
1998	59.30	9.51	14.49	2.54	0.47	2.62	1.79	0.21	0.22	8.12	0.75	267667
1999	69.26	8.35	12.06	2.09	0.65	1.73	1.51	0.00	0.56	3.58	0.21	268182
2000	64.94	0.27	15.28	0.64	0.45	2.08	2.36	7.74	0.44	4.98	0.80	222686
2001	72.63	2.83	8.60	0.12	0.24	2.31	2.41	2.60	0.83	5.09	2.34	188965
2002	72.48	7.00	11.30	0.25	0.70	2.41	1.71	0.04	0.01	3.04	1.06	225256
2003	63.78	10.51	14.69	0.04	1.12	2.94	1.59	0.01	1.48	2.09	1.74	254190
2004	50.93	15.06	17.22	0.46	0.22	3.37	1.62	0.08	0.08	2.55	8.40	272958
2005	31.83	18.61	24.53	0.84	0.38	4.24	1.91	1.15	0.09	3.82	12.61	252702
2006	28.70	9.38	34.13	2.02	0.03	4.29	2.12	5.37	0.26	5.28	8.44	381516
2007	24.51	0.51	27.19	1.82	0.18	1.97	2.10	32.81	0.00	4.60	4.30	832609
2008	15.10	0.04	47.92	2.92	0.58	1.51	6.04	15.06	0.17	6.47	4.19	875055
2009	3.09	0.00	54.36	2.46	4.78	5.98	8.77	2.61	0.31	8.33	9.31	475278
2010	1.81	0.01	52.04	3.09	3.11	5.59	10.91	0.24	0.69	10.00	12.52	390702
Total	2580198	479619	1790791	167808	95194	213005	403165	699655	24113	318650	359691	7131889

Source: Prepared by RMMRU based on BMET Data

Table 2.3: Percentage of women migrants 2001-2010

Year	Total Migrants	Number of Female Migrants	% of Female Migrants
1997	231,077	1,762	0.76
1998	267,667	939	0.35
1999	268,182	366	0.14
2000	222,686	454	0.20
2001	188,965	659	0.35
2002	225,256	1,217	0.54
2003	254,190	2,353	0.93
2004	272,958	11,703	4.29
2005	252,702	14,039	5.56
2006	381,516	17,970	4.71
2007	832,609	20,343	2.44
2008	875,055	20,827	2.38
2009	475,278	22,224	4.68
2010	390,702	27,706	7.09
Total	5,138,843	142,562	34.41

Source: Prepared by RMMRU based on BMET Data

Table 2.5: Skill Composition of Bangladeshi Migrants in (%)

Year	Professional	Skilled	Semi-skilled	Low Skilled	Total
1976-80	11.314	35.05	6.262	47.372	99189

1981-85	4.846	34.33	7.59	53.234	312177
1986-90	4.232	36.02	15.95	43.8	416334
1991-95	4.922	30.56	21.55	42.964	953632
1996	1.51	30.37	16.38	51.74	211714
1997	1.64	28.22	18.85	51.29	231077
1998	3.58	27.91	19.27	49.23	267667
1999	3.00	36.71	16.76	43.53	268182
2000	4.79	44.73	11.88	38.60	222686
2001	3.14	22.62	16.25	57.99	188965
2002	6.41	24.98	15.99	52.61	225256
2003	6.24	29.32	11.50	52.94	254190
2004	4.47	40.36	10.38	44.79	272958
2005	0.77	44.98	9.71	44.54	252702
2006	0.11	3.34	86.88	9.66	818085
2007	0.08	20.13	22.38	57.41	821223
2008	0.00	32.00	16.00	52.00	875055
2009	0.30	28.25	17.78	53.67	475278
2010	0.10	23.19	5.12	71.58	390702
Total	181723	2169849	1111782	3668535	6741187
Source: Prepared by RMMRU based on BMET Data					

Table 2.6: Year Wise Remittance Flow

Year	Remittances Million US\$
1999	1,806.63
2000	1,954.95
2001	2,071.03
2002	2,847.79
2003	3,177.63
2004	3,565.31
2005	4,249.87
2006	5,484.08
2007	6,568.03
2008	8,979.00
2009	10,717.73
2010	10,999.16
Total (1976-2010)	78,673.27

Table 2.7: Year and Country Wise Remittance Flow in (%) from 2005 -March 2011

Country	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	Total \$ (in Million)
Australia	0.06	0.08	0.07	0.17	0.19	0.20	53.67
Bahrain	1.53	1.55	1.62	1.75	1.34	1.38	738.94
Germany	0.16	0.15	0.20	0.34	0.25	0.25	102.75
Hong Kong	0.09	0.08	0.09	0.10	0.10	0.12	44.95
Iran	0.02	0.04	0.03	0.04	0.04	0.04	16.98
Italy	1.80	1.66	1.93	2.71	2.50	1.77	966.24
Japan	0.13	0.13	0.15	0.21	0.17	0.20	75.01
K.S.A.	27.80	31.19	29.51	29.37	29.02	35.29	14301.17
Kuwait	9.05	9.28	10.02	10.91	11.39	10.26	4768.21
Libya	0.02	0.01	0.01	0.00	0.04	0.00	7.21
Malaysia	6.09	5.34	2.91	1.17	0.20	0.43	1517.08
Oman	2.99	3.18	2.99	2.79	3.29	3.46	1466.87
Others	4.37	4.13	2.50	1.80	2.09	2.09	1432.21
Qatar	2.79	3.28	3.54	3.66	3.90	3.65	1628.75
S.Korea	0.22	0.19	0.19	0.25	0.29	0.37	111.05
Singapore	1.66	1.76	1.70	1.64	1.34	1.39	773.48
U.A.E.	17.04	17.20	18.11	14.34	13.46	11.58	7565
U.K.	7.94	7.53	8.15	11.32	14.83	11.69	4601.07
U.S.A.	16.24	13.21	16.26	17.44	15.56	15.84	7437.51

Source: Prepared by RMMRU based on Bangladesh Bank Data

Table 3.1: the cost of overseas migration

Type	USD	N
Male	1,980.60	45
Female	856.81	15
All migrants	1,699.66	60
The channel of recruitment		
BOESL	842.47	2
Self	1,455.48	4
Family members/relative	1,650.34	38
Friends	3,253.42	2
Recruiting agency	2,418.84	6
Sub agent	1,342.47	8
Types of visa		
Free of kafeel sponsored	2,285.92	21
Fixed job contract		32

	1,407.36	
Umra	1,277.11	7
Destination country		
Bahrain	547.95	1
Kuwait	1,473.44	9
Saudi Arabia	1,654.10	32
United Arab Emirate	1,957.74	18
District of Origin		
Dhaka	2,221.60	15
Laxmipur	2,217.23	15
Narayangan	1,010.51	15
Sylhet	1,349.27	15

Source: Afser (2009) ILO

Table 3.2: Calculation of recovery or cost on the basis of cost of migration and salary in the country of destination

Country	Cost of M of male In \$ US	Salary of Male In \$ US	Recovery in Man month for male	Cost of M of female In \$ US	Salary of Female In \$ US	Recovery in man month for female
KSA	4771.64	271	17.60			
UAE	3067.68	271	11.31	272.67 to 954.33	136.21 with food and accommodation	4.5
Oman	3067.68	271	11.31			
Qatar	2726.65	271	10.06			
Bahrain	2726.65	271	10.06			
Libya	3067.68	300	10.22			
Lebanon				408.99 to 954.33	\$ 100 to 150	5.44
Jordan				136.33	200	0.68

Data on tentative costs of Migration are received from government functionary, earning of all the countries except Libya is derived from IOM 2011 study on Libya it is sighted from RMMRU 2011 study.

Table 3.3: Cost of migration in origin and destination (in Dollar) proposed by BAIRA

Costs at origin and destinations	Type of costs	Saudi Arab (In \$ US)	UAE (In \$ US)	Libya (In \$ US)
Costs in the countries of destination	Application fees per visa	533.30	952.90	740.56
	Work permit and medical fees	453.31		
	Intermediaries	133.32	136.12	82.28
Costs in Bangladesh	Air fair (average)	463.60	340.60	572.20
	Advanced income tax	13.70	13.70	13.70
	Trade testing (for skilled workers) training and language	13.70	81.80	13.70
	Welfare fund	3.50	3.50	3.50
	Data registration fee	1.36	1.36	1.36
	Medical check up	39.60	20.43	28.70
	Recruiting agency service charge	204.50	204.50	204.50
	Utility, convince, hotel etc.	68.17	68.17	40.90
	Visa fees in Saudi Embassy	37.90	N/A	77.70
	Local sub-agent			136.24
Total		1965.96 US \$ (141425Tk.)	1823.08 US \$ (133850Tk.)	1915.34 US \$ (150150Tk.)

Table 3.4: Costs proposed by the Inter Ministerial Subcommittees

Costs at origin and destinations	Type of costs	KSA	UAE	Libya
Cost in the country of destination	Overseas Marketing and Liaseon office cost	USD 273	USD 273	USD 273
	Training	68	68	68
	Air fair (average)	464	341	573
Costs in Bangladesh	Advanced income tax	14	14	14
	Trade testing (for skilled workers) training and language	14	82	82
	Welfare fund	4	4	4
	Data registration fee	1.37	1.37	1.37
	Medical check up	396	205	205
	Recruiting agency service charge	273	273	273
	Others (entertain, transport, hotel)	178	178	178
	Insurance	27	27	27
	Visa fees in Saudi Embassy	38	n/a	68
	Local sub-agent?	x	x	
Total		1391.88	1280.35	1580.49

*** Figure in parentheses refers to Dollars**

Table 3.5: Migration cost country-wise (for low-skilled migrants)

Country	Destination	Cost in \$ US (government side)	Cost in \$ US (actual)
India	Middle East	646.024	1,180.66- 1,737.43
Pakistan	Middle East	523.895	931.370
	Malaysia	523.895	2,328.42
Bangladesh	Middle East	1,142.08	2,991.16- 3,263.09
	Malaysia	1,142.08	2,447.31-2,991.16
	Singapore	1,142.08	3,535.01
Nepal	Middle East	973.574	1,398.60
	Malaysia	1,118.88	1,146.85-1,260.15
Sri Lanka	Middle East	775.405	729.368-775.405
	Malaysia	775.405	1,094.05

Source: Recruitment practices for overseas employment in South Asia, p-21, 2008

ⁱ Representatives from Ministry of Expatriates' Welfare and Overseas Employment, Ministry of Home Affairs, Ministry of Labour, Ministry of Foreign Affairs, Manusher Jonno Foundation and Refugee and Migratory Movements Research Unit were members of the committee.

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ⁱⁱⁱ Policy Dialogue on Probashi Kallyan Bank: Developing Strategies for Serving Migrants held on 29 May 2011 organised by the RMMRU