



RMMRU

Working Paper Series No. 42

Policy Brief on Facing the Challenge of Labour Migration from Bangladesh

Tasneem Siddiqui

The RMMRU Working Paper Series presents papers in a preliminary form. More information on the work and research projects of RMMRU can be found online at www.rmmru.org.

Acknowledgement

This paper was prepared for D.Net

Terms of Use

This material may be published in its entirety, or only in part, in newspapers, wire services, internet-based information networks and newsletters, you are also free to use the information in your radio-TV discussions or as a basis for discussion in different contexts, provided that credit is given. If you do choose to publish this material, you must inform us via email at info@rmmru.org

Recommended Citation

Siddiqui, Tasneem , Makfie Farah, (2012). *Policy Brief on Facing the Challenges of Labour Migration from Bangladesh*.(Working paper series no. 42, Dhaka: RMMRU)

Editor's Note

Labour migration is an important part of the current global economy. In 2010, 214 million people were residing outside their country of origin and they transferred globally USD 441 billion in remittancesⁱ. Migrants also transfer skills, ideas and knowledge, establish interpersonal relationships among origin and destination countries and their people. All, including the transit countries, can benefit from migration if the right kinds of policies are in place. Bangladesh is one of the major labour sending countries of the world. Since 1976 more than 7.1 million Bangladeshis have gone abroad by taking overseas employment. The diaspora living in the Western countries, particularly in the USA and UK, is estimated to be 1.50 million; a large number of them maintain a strong economic, social and cultural relationship with Bangladesh.

Migration is the highest foreign exchange earning sector of the country. In 2009, earning from migrant remittances was 2 times higher than the net income of the garments sector, 9 times more than foreign direct investment to the country. It helped the country to maintain a balance of payments surplus for six consecutive years in a row since 2005 to 2010ⁱⁱ. The current account balance of the country has been also positive since 2002 to 2010. However, the margin of the surplus reduced drastically in 2010 in comparison to 2009ⁱⁱⁱ. Goldman Sachs, the renowned investment banking and securities firm, identified Bangladesh as one of the Next Eleven countries having high potential to become world's emerging economies in the 21st century.^{iv} Migrant remittance plays a crucial role in achieving such status^v.

Forced return of migrants owing to the global financial crisis and the political uncertainties in the Middle East, particularly in Libya, presented another challenge for the governance of labour migration. The government needs to develop its capacity to cope with such unexpected crisis. Since the outbreak of the crisis the government of Bangladesh has had to evacuate 36,000 Bangladeshi workers from Libya. International community bore some of the costs, but the bulk has been borne by the government by taking a loan from the World Bank. Social and economic reintegration of these returnees is new responsibility on the shoulders of the government and private sector.

Bangladesh is recently experiencing growth of migration of female domestic workers to the Gulf, particularly due to a ban and other types of disincentives from traditional female labour sending countries such as the Philippines, Indonesia and Sri Lanka. From less than 1% in 1990, in 2010, 7.09% of the Bangladeshi international migrants were women.^{viii} It is important to respect women's right to movement for international jobs. Nonetheless, a major dilemma for the government is how to ensure protection of female domestic workers in the private spheres of the home which the labour laws of those countries do not cover.

Bangladesh has recently ratified the 1990 UN Convention on the Rights of All Migrant Workers and Members of Their Families (ICMW). It is trying to provide some leadership in regional processes such as Colombo and Abu Dhabi to place some of the labour issues in a multilateral forum from their

existing bilateral mode. This policy brief highlights reforms undertaken in Bangladesh and current challenges of labour migration from Bangladesh and possible ways to handle those challenges.

Can we shorten this section? We may safely assume that policy makers are well aware of the initiatives they have taken.

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 law^{ix}. 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. ^x

Overseas Employment Policy

With persistent demand from civil society, the Overseas Employment Policy was enacted in 05 November 2006. 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 2003. 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 Kallyan 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 repository of 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 transfer^{xi}. Most importantly the operation of the banking should be completely automated.

Further Reading:

RMMRU Policy Brief 6, *Probashi Kallyan Bank: Innovative Approaches for Remittance Transfer, Migration Finance Loan and Investment Loans*, RMMRU: Dhaka

Reyes, Carola, 2011 (upcoming), *Bringing Migration and REfugee Communities in the National Policy Agenda of Bangladesh: The Role of Specialised Civil Society Organisations*, RMMRU: Dhaka

Siddiqui, Tasneem, 2010, *Migration Patterns and Trends of Bangladesh*, RMMRU Policy Paper, RMMRU: Dhaka

Fhamida Yasmin, 2010, *Gender Responsiveness of Bangladesh Overseas Employment Policy: Implication of Female Migration*, RMMRU Occasional Paper 21, RMMRU: Dhaka

Siddiqui, Tasneem, 2006, 'Protection of Bangladeshi migrants through good governance' in *Merchants of Labour* (ed.) Christiane Kuptsch; International Labour Organisation: Geneva

Siddiqui, Tasneem, 2006, *ILO International labour migration from Bangladesh: A decent work perspective*, ILO Working Paper 66, International Labour Organisation: Geneva

UN Convention on the Rights of All Migrant Workers and Members of Their Families (ICMW), 1990, United Nations: New York

The Emigration Ordinance, 1982, Ministry of Law, Government of the People's Republic of Bangladesh: Dhaka

Bangladesh Overseas Employment Policy, 2006, Ministry of Law, Government of the People's Republic of Bangladesh: Dhaka

For each sub-section, can we have separate paragraphs for the Challenges and the Recommendations?

Bangladesh mainly participates in the semi- and unskilled labour market. Over the last 5 years only 0.14% of its labour force belonged to the professional category, 26.15% were skilled and the remaining 73.69% were semi or unskilled^{xii}. Globally, unskilled worker shares the most unprotected, exploited workforce. Bangladeshi workers are no exception. Non-payment or delayed payment of wages, physical violence and arbitrary deportation are a common experience for a large number of Bangladeshi unskilled and semiskilled workers. A significant section of Bangladeshi workers become irregular due to reasons operational both in Bangladesh and countries of destination. Recently, the country is facing stiff competition from newly emerging labour sending countries of South and Southeast Asia. The global financial crisis and people's upheaval in the Gulf and North African countries have negatively affected labour migration from Bangladesh. In 2008, 800,000 Bangladeshis went abroad for work^{xiii}. However, in 2009 and 2010 the number came down to half its original figure. It is expected that in the coming years workers from some of the African countries will also participate in the Gulf labour market along with the newly entering Southeast Asian countries. This indicates that competition for entry in the labour market is going to be tougher.

Migration Sector in National Development Plans

Studies have found that continuous and constant flow of remittances has a multiplier effect on the rural areas of Bangladesh. Enterprises established by returnee migrants or their family members are generating employment and creating markets for the locally produced goods and services. Micro-level research finds increased consumption patterns in migrant families than non-migrant families^{xiv}. Moreover, remittances also enabled migrant-led households to access better education and healthcare services than non-migrant families^{xv}. Nevertheless, the migration sector is one of the least attended sectors in the national development plan. Neither the five-year development plan nor the 10-year perspective plan has identified migration as a way for enhancing development. Civil society persuaded the Ministry of EWOE to incorporate migration as a thrust sector in the development plan. However, the final draft of the 6th Five-year Development Plan does not have a separate section on migration. Expatriates' Welfare Ministry has been able to incorporate migration issue in different chapters.

Inadequate Resource Allocation

The Ministry of EWOE is the most important apparatus of the government that manages migration. The ministry suffers from severe resource shortages. The Ministry and its line agencies have shortage of skilled and competent human resources as well as inadequate infrastructure. Due to these pressing issues many of the functions for protecting and promoting the rights and welfare of migrant workers cannot be delivered by the ministry.

Lack of Skilled Human Resource

At present Bureau of Manpower, Employment and Training (BMET), the line agency of the Ministry of Expatriates' Welfare and Overseas Employment, manages 38 Technical Training Centres (TTCs) in Bangladesh. These training centres target both local as well as international employment. There is a persistent tension among BMET-run training centres as two separate ministries run these training centres, i.e. 26 centres are under the Ministry of Labour and the remaining 12 are managed under the Ministry of Expatriates' Welfare and Overseas Employment. About 2,000 trainers from these centres need urgent capacity building trainings to conduct modern courses. Again, most of these TTCs face major budget deficit. Moreover, the Bangladesh Technical Education Board (BTEB) of the Education Ministry, responsible for coordinating training and approving the training curricula these centres, lacks adequate human resource to improve their quality .

Institutional Hindrances in Promoting Migration of Highly Skilled Nurses

Migration of professionals from Bangladesh is minimal. In 2010, only 387 professionals migrated for overseas jobs^{xviii}. One significant way for the country to increase the number of professionals is to increase the number of nurses for overseas employment. Although worldwide nurses are in great demand, Bangladesh is the only country that has one nurse for every three doctors^{xix}. Thus, nurse migration from Bangladesh insignificant after meeting huge demand at local market. The government infrastructure is inadequate to meet the demand. On the other hand, existing government guidelines for nurse education are one of the major hindrances for the private sector in offering nursing courses. In 2008, Ministry of Health and Family Welfare formed a high level taskforce to review 1983 Bangladesh Nursing Council Ordinance and existing curricula to evaluate the existing guidelines. The taskforce highlighted the need for massive investment in this sector by government and private sector institutions along with major changes in the guidelines for encouraging private institutions. Although more than three years have passed, recommendations of the committee are yet to be implemented.

Challenges of High Labour Migration Cost

High cost of migration is result of several causes persisting at both countries of origin and destination. Visa trading and involvement of intermediaries at different stages spirals migration cost and the whole cost has to be borne by the migrants. For example, a work permit issued by the destination country's government is immediately sold at the local market. Changing hands for 2/3 times when a Bangladeshi recruiter buys the work permit, he has to pay its cost as high as USD 2,000 upfront. On the other hand, Bangladeshi recruiting agencies, local intermediary and dishonest public sector functionaries keep their margin from that as well. Under the circumstances when a migrant secures a visa he/she has to pay the entire amount which is manifold higher than actual cost. Due to lower wage rate it takes more than a year for a migrant worker to recover the money spent to acquire the work permit.

Way forward

- To ensure effective streamlining of labour migration from Bangladesh, the government should declare migration as ‘thrust sector’ for the economy and should allocate equivalent of at least 0.5 percent of remittance earned per fiscal year to the sector. Migration should be incorporated in the national development plans for effective management of the migration sector.
- The Expatriates’ Welfare and Overseas Employment Ministry should be redesigned with at least five separate departments. These include Facilitation and Regulation of Recruitment; Rights and Welfare; Labour Attaché Management; Long Term Bangladeshi Affairs and Policy and Research. Resource allocation for institutional reorganisation must be ensured from the revenue budget and necessary infrastructure development to be borne from the development budget and the ministry should have its own administrative cadre service.
- Lack of coordination among the training-providing institution and concerned ministries must be addressed through inter-ministerial and inter-agency coordination. All the TTCs should be equipped with updated training equipment. The capacity of the trainers should be regularly updated with continuous ToTs. The BTEB should set a minimum standard of training considering demand in the international market. Resource should be allocated for promoting skilled human resources at the grassroots both under revenue and development budget.
- In order to promote skilled nurse migration from the country, the government should ease conditionalities that reduce the scope of private sector participation in nursing education. Updated training curricula and quality of teaching should get emphasis rather than infrastructure. Nurses should be from all educational disciplines instead of being limited to from a science background for enrolling in BSc nursing. In order to ensure knowledge in a necessary science course, student with non-science background have to undertake pre-course in those subjects. The current financial crisis and increasing demand for nurses around the world has created immense opportunity for the government to diversify its overseas labour market and to create scope for skilled nurses.
- The issue of high visa cost should be placed in different international forums such as the Global Forum on Migration and Development. A multilateral approach would help to stop visa training at the destination country. The respective governments of Saudi Arabia, Bahrain and Kuwait are taking steps to stop this trade. Bangladesh should be involved with these sending countries for effective solution of the problem. In the Bangladesh context, adequate legal steps should be taken to reduce the number of intermediaries to lower the high labour migration cost.

Further Reading

RMMRU Policy Brief 7, 2011, *Institutional and Regulatory Reforms for Migration and Remittance Management*, RMMRU: Dhaka

Siddiqui, Tasneem, 2011 (upcoming), *Impact of High Cost of Migration: The Bangladesh Case*, UNESCAP: Thailand

_____*World Migration Report 2010*, 2011, International Organization for Migration: Geneva

Siddiqui, Tasneem et al, 2010, *Targeting Good Governance: Incorporation of Migration in the 6th Five Year Plan*, RMMRU Policy Paper, RMMRU: Dhaka

Siddiqui, Tasneem, 2009, *Putting Migration in Development Strategies*, Background Paper 1, 3rd Global Forum on Migration and Development, http://www.gfmd2009.org/UserFiles/file/RT%201_1%20SIDDIQUI%20paper%20%28EN%29%5B2%5D.pdf

Conclusion

It will be beneficial for the policy makers if we could highlight a short list of recommendations for them. This can be bulleted or kept under sub-heads.

This policy brief throws light on important reforms and actions concerning labour migration. It is clear that the government has undertaken serious reforms in certain areas but new areas are constantly emerging. We have seen overseas employment policy is enacted but now we need a targeted action plan with a built-in monitoring and evaluation system. To ensure protection of female migrants our government needs to become party to ILO Domestic Workers' Convention. To make Probashi Bank successful the government needs to automate the system, it can use the exclusive networks of post office and microfinance institutions. Most importantly, migration needs to be incorporated as a development tool in national development policies and strategies and *it should be declared as a thrust sector (what does this mean?)*. Government may consider declaration of 2012-2021 the decade of migration and undertake necessary programmes.

ⁱ UNFPA 2011 and World Bank remittance data 2011.

ⁱⁱ Siddiqui, T, et al (2010), *Targeting Good Governance: Incorporation of Migration in the 6th Five Year Plan*, draft policy paper prepared by the RMMRU.

ⁱⁱⁱ The Daily Star August 05, 2011.

^{iv} Global Economics Paper no 134, O'Neil, James et al. (2005)

^v Rahman, H Z, 2011, ***** , PRPC Dhaka

^{viii} BMET data

^{ix} 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.

^x

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

^{xii} BMET Data on Skill wise Migration, 2011, www.bmet.gov.bd

^{xiii} BMET Data on country wise Migration, 2011, www.bmet.gov.bd

^{xiv} Siddqui, Tasneem (2011), *Impact of Migration on Poverty and Development*, (unpublished) commissioned by the Research Programme Consortium on Migrating Out of Poverty based at the University of Sussex, UK

^{xv} *ibid*

^{xviii} BMET data on skill wise migration, www.bmet.gov.bd

^{xix} RMMRU Policy Brief 5; Institutional and Regulatory Reforms for Training of Nurses for Overseas Employment.