RMMRU

POLICY BRIEF 19

The Economic and Social Costs of Migration

Summary

In preparation for the Global Forum on Migration and Development (GFMD) being hosted in Dhaka, Bangladesh, in December 2016, as part of the Bangladeshi Civil Society Coordination Committee, the Refugee and Migratory Movements Research Unit (RMMRU) and Migrants Forum in Asia (MFA) hosted a public hearing on the Economic and Social Costs of Migration. At the hearing twenty-nine migrant workers, eleven women and eighteen men, gave testimonies on the economic and social costs of their migration experiences. Of the twenty-nine testimony providers, eleven migrants had completed at least two years of work, twelve migrants had to end their work contracts early, and the remaining six were still working, but had not yet completed at least two years of work, or did not mention when they started or finished. In the latter group of cases it was a family member who gave testimony on behalf of the migrant worker.

Panelists at the BCSCC public hearing on the Economic and Social Costs of Migration organised by RMMRU and MFA. Seen in the photo are Foreign Secretary of Bangladesh and Additional Secretary of Ministry of Expatriates' Affairs.

Introduction

The economic cost of migration is defined as the cost of migration incurred by a migrant before his or her departure, i.e. recruiting agency fees, airfare, medical, emigration clearance, contribution to Wage Earners' Welfare Fund etc., but also costs incurred after his or her arrival at the destination, i.e. salary deductions, salary delays, tax deduction, the cost of returning home, etc. The opportunity cost of migration, wherein the migrant foregoes potential work in Bangladesh and all the potential cost savings that might bring in favour of migrating to work abroad, is also considered as an economic cost.

The cost for migration, stated by the migrants in their testimonies, varied greatly between and within regions. Among the twenty-nine collected testimonies all except three migrated to the Middle-east (primarily Gulf countries) for their work. The highest migration costs were paid by Md. Abdul Latif ($10,829)* and Md. Russel ($7325), both for going to Singapore. The highest costs outside of Singapore were borne by Md. Sultan Mia ($7007), for going to Dubai, and Md. Akteruzzaman ($7007), for going to Libya, followed by Md. Hanif ($6115), for going to Saudi Arabia, and Zohrul Islam and Nurul Islam ($5733), both for going to Iraq. The lowest costs were paid by Sheli Begum ($445), for going to Abu Dhabi, and Mukta Begum ($637) and Rina Begum ($891), both for going to Saudi Arabia. The average cost of migration for female testimony providers was $913 and the average cost for males was $4827. Bangladeshis bear much higher average costs for migration than the people of neighbouring countries. A Bangladeshi worker going to Bahrain in 2016 is expected to pay from $2,500-$5,000, while a worker from Kenya, Uganda, and Ghana pays on average $265-$795, and workers from India or Sri Lanka rarely paid any fees (Siddiqui, 2015). This holds true for workers migrating to Singapore with Bangladeshis paying an average of $5,560, Filipinos and Indonesians paying $2,680, Indians averaging $3,900-$4,700. Only the Chinese had the potential of paying more (but also much less) with a range of $2330-$6,500.The average cost of migration, calculated out of the twenty-five testimonies that stated what they paid, is $3780, and the median cost is $3822. However, many migrants that provided testimony had gone abroad many years ago, and the current average, as of 2015, is $4867 (Siddiqui, 2015).

Of the twenty-nine recorded testimonies, fifteen suffered a negative economic experience, i.e. making a meagre income, paying exorbitant migration fees, having to return to Bangladesh for various reasons before the completion of work contracts, and various other reasons. Ponir Hossain (Maldives), Zohrul Islam and Nurul Islam (both Iraq) did not receive their promised employment when they arrived in their respective countries. Shahida Begum's testimony reveals her employer's refusal to cover the expenses of medicine for jaundice. Sharmin Akter (Lebanon) and Md. Habibur Rahman Sarker (Oman) worked without ever receiving their promised wages

"I was married off very young and then was divorced. In 2015 at the age of 19, I went to Lebanon as domestic worker. I received my visa through a local dalal (sub-agent). I spent $1019 to migrate. Although I was told that I would receive a salary of $254 over the last one year I did not receive a single penny. Nor did I acquire any new knowledge. I am a net loser."
- Sharmin Akter, Narshingdi

On the other hand there were thirteen migrants that described a positive economic experience as a result of their migration. Numerous migrants were able to send remittances of varying amounts back to their families. Md. Shafiul Alam and Yasin (Saudi Arabia) were both able to buy land back in Bangladesh with the money they made during migration. Moreover, six migrants were able to build houses for themselves or their families.

"My family spent $2866 to send me to Saudi Arabia in 2001. I was 35 years old then. My job was to maintain date trees. I earn $400 per month now and last year I sent $3822 in 6 installments. I am satisfied with the fact that I have been able to build a house for my family and bought agricultural land."
- Yasin, Munshinganj

Of those migrants who gave testimonies of a positive economic outcome four were women and nine were men. The way in which these migrants' experiences were positive did not differ much between the two groups. Both men and women used their funds to help their families, though it is only the men that mentioned the purchase of land. Of those who cited a negative economic outcome seven were women and eight were men. However, the women generally suffered a negative economic experience because of social reasons, forcing them to return home early.

"My family spent $4204 to send me to Qatar In 2010. At that time I was a bachelor and 28 years old. I am

* All costs in BDT have been converted to US$ (as of 13 October 2016)

working in an ancillary position in a bank. Currently I am earning $509 per month. Last year I sent around $4586. My father has saved the remittances I sent. Now we are finalizing our plan to construct a house."
- Md. Nizamuddin, Daudkandi

Social Cost

The social cost of migration is defined as the various physical and mental hardships suffered by a migrant worker before, during, and after his or her term of employment. Of the twenty-nine testimonies, ten stated that they suffered a social cost because of their work. Social costs are borne in many different forms. Migrants Mina (Lebanon), Tumpa Begum (Saudi Arabia), and Mukta Begum (Saudi Arabia) all mentioned physical, mental, and sexual abuse in their testimonies. Rina Begum (Saudi Arabia) recounts suffering physical and mental torture, living like a prisoner, and only receiving one meal a day. Md. Akteruzzaman (Libya), Ponir Hossain (Maldives), Zohrul Islam (Iraq) and Nurul Islam (Iraq) all mentioned money-lenders constantly harassing them after their failed migration experiences.

"On 2 January 2016, at the age of 26, I went to Saudi Arabia to work as a housemaid. A local dalal arranged the visa for me, for which I had to spend $1911. In the meantime, my daughters, whom I left at home, fell ill in my absence. My employer was not a good person. I experienced physical, mental and sexual abuse. He made advances for an illicit relationship. When I did not pay heed to that I was accused of theft. For all of these reasons I had to come back after 12 days."
- Tumpa Begum, Naogaon

There are some social benefits to gain from migration, like acquiring valuable skills. However, this is generally true in the case of economically successful migrants. In order for an experience to qualify to be a positive social experience, and not just a positive economic one, the money gained has to be used in a way that would be socially beneficial, i.e. education, or donations to organisations. Three migrants, Md. Sohel Hossain (Dubai), Md. Hanif (Saudi Arabia), and Md. Shafiul (Saudi Arabia), all mentioned valuable skills gained at work during their stay abroad. Others like Rehana (Oman), Md. Sultan Mia (Dubai), Md. Russel (Singapore), and Mahinur Begum (Saudi Arabia) used their money to fund the education of family members. Three migrants also mentioned using their money to donate to mosques or madrassas.

"In 2007, I spent $6115 to migrate to Saudi Arabia through a local dalal at the age of 29. In Saudi Arabia, I worked in the printing industry. My monthly income was $102. I came back in 2016. I have gathered knowledge and experience in printing. I have donated to mosques and madrassas after returning from Saudi Arabia. I also built a house for my family."
- Md. Hanif, Tangail

Of the ten migrants that suffered a social cost four

Migrants providing testimonies at the public hearing

were men and six were women. Women were more likely to face sexual abuse than men. Three of the six women mentioned facing sexual abuse while none of the men cited it. Women also faced physical and mental abuse more often, with five women mentioning it in their testimonies, but only one man. Shahida Begum and Zohrul Islam also testified of being terrorized and tortured.

"I went as a domestic worker to Saudi Arabia through dalal spending $637. But my employer was not a good person. He abused me mentally, physically and sexually. That is why I returned within one year." - Mukta Begum, Jessore

Responses

A number of speakers, from varying backgrounds, present at the public hearing addressed many of the issues raised by the migrants

Government Response

Ms. Rahnuma Salam Khan, Deputy Chief, Ministry of Expatriates' Welfare and Overseas Employment, and focal point for GFMD 2016 observed:

"It is important to identify the stakeholders who are responsible for monitoring and reducing the migration cost. We all know that sending countries have some responsibilities to reduce the migration cost. We know that in this regard they should properly implement the existing laws and policies so that the recruiting agencies must play a fair game. However, I think that it is more important to address the responsibilities of the receiving countries in reducing migration cost. Civil society can play an effective role in highlighting these issues during the GFMD. It is true that, in a number of ways, the receiving countries are responsible for high migration cost. For examples, the governments of the receiving countries must stop visa trading, ensure a minimum dignified wage, and establish a mechanism so that migrants get regular payment."

"It is important to talk about these issues at the GFMD forum. It is also important to talk about some of the shared responsibilities, of both the sending and receiving countries, like streamlining the complaint mechanism for migrants. International organizations and UN agencies can also play a role in helping reduce the cost of migration."

Mr. Md. Shahidul Haque, Foreign Secretary, GoB and Chair, GFMD 2016 noted that:

"The State has failed to control the cost of migration. The Government is trying to control the cost of migration but despite all efforts, it is unable to do so. The reason is that black market, money, muscle, power, and other issues are involved in this process. We need to address this problem at the national level. We have seen that the problems mentioned here are more or less similar to the problems in many other Asian, African, and South American countries."

"We need a combined and coordinated approach to address this. Although fraudulence is common, the desperation of migrants is also fueling the crisis. We need to put our thoughts about this in a logical frame. At the national level we need to establish a system of checks and balances, along with the various other efforts made by the Government. It is not impossible, but it is difficult. At the regional level, we should try to adopt a new legal framework to address migration related issues."

Mr. Kazi Abul Kalam, Joint Secretary of the Government, former Labour Attaché stated that:

"It has been recorded that 77 percent migrants get visas through networks of friends and relatives.The remaining 23 percent get their visas through recruiting agencies. Therefore all stakeholders have to bear in mind that social network play an important role in migration and thus make migrant aware of this fact. Before they migrate we need to check what type of visa they have got and for which country their visa is applicable. Do we check these things? I think we can do this just by using our common sense."

"We also have to be a aware of the rules and regulations of migration. As per the current law, international labor migration should go through only Dhaka, Chittagong and Sylhet airports. If migrants move through other ports or airports, then that should be irregular migration. In these cases, the State can take legal action against the migrants

who pursue illegal methods of transport."

"We have an Expatriates' Welfare Desk in each district of the country. Those who are planning to migrate for work should seek advice from the desk of their respective district. The Government is planning to open a hotline service at the website of the Wage Earners' Welfare Board. Hopeful migrant workers will be able to lodge complaints and/or seek advice or information relevant to migration."

"Last but not least, I think that we can reduce the economic and social costs of migration through raising awareness among the migrants."

Dr. Nurul Islam of BMET stated:

"We need to bring accountability to this sector. Visa buying and selling among family and friends is a wide practice. At the GFMD, we can hope to solve the problem globally. We can cause the receiving countries to stop visa trading and reduce the overall migration cost. In case of female migrant workers, to keep them safe we have arranged a 24X7 helpline. We also train them and provide mobile apps to increase their efficiency overseas."

Mr. Jabed Ahmed, Additional Secretary of the MoEWOE, noted in his speech that:

"The stories narrated in the testimonies make me feel sad and guilty. We want to make sure the cost is low and that our migrants' rights and safety are ensured overseas. Nepal, Sri Lanka and India also have high migration costs, but they are still lower than Bangladesh. Our workers require 9 months to recover the migration cost while for workers of those countries it takes only 3 months. We admit this failure and we are trying to overcome it. We hope a public hearing like this can help us to develop more migrant friendly policies. Migrant workers prefer to work through sub agents. Migrant workers prefer to work through sub agents. Government and NGOs have grassroot level awareness programmes, but we cannot influence hopeful migrant workers as much as a sub agent can; this is really disappointing. These sub agents misguiding our migrant workers is a crime."

"If aspirant migrants do not come to us, it becomes difficult for us to deal with their problems. We try our best to address the problems. We recovered $164,330 in 2013, and $159,274 in 2014, of the victim migrant workers' money. We have seen the numbers of complaints are reducing along with the increase in the amount of compensation. So far we have cancelled the licenses of 83 recruiting agents along with withholding licenses from time to time. Every migrant worker has the right to come to the government for these problems. However, the message of the government does not always reach them. Instead it is the sub-agent's words that find them. Unfortunately, the government has yet to learn how to deal with addressing the problem of sub-agents."

Private Sector Response

Mr. Shameem Ahmed Chowdhury Noman of BAIRA observed:

"The private sector plays a crucial role between sending and receiving entities. Civil society works as a watchdog over us. Media is also very important for highlighting the good and bad practices present in migration for work."

"The main point of migrating for work is to be paid. Most migrant workers fail to realize how much they are paying to go abroad. Recruiting agents' business depends on that payment. They naturally look for profit. The agencies sell visas at a high prices. These businesses can be very shady. Due to this, the cost of migration in Bangladesh is higher than many other countries. Considering the population and unemployment rate in Bangladesh, the opportunities to migrate are minimal. Under such circumstances, people opt for costly and illegal ways, and that leads to problems."

"To get full compensation from recruiters we need to build mechanisms as Indonesia and Sri Lanka have done. Instead of addressing the problems created by the foreign recruiters the practice of only penalising the local recruiting agents is not fair. The private recruiting agents are trying to open more markets and are also targeting zero cost policy in sending migrants."

NGO Response

Syed Saiful Huq, Chair of WARBE Development Foundation Chair, Stated:

"The cost of remitting money is high and that should be factored in when we consider the cost of migration. The uncertainty, tension, and distress that migrant workers face also need to be kept in mind. We often hear that the law forbids migrants from using the services of sub-agents for the migration process. This could only be achieved if registered recruiting agencies were able to work at the grassroots level, otherwise sub-agents will continue to operate."

A representative of a Woman's NGO noted that:

"Even successful returnee women migrants may face insurmountable problems with reintegration. I dealt with two cases where the spouses of female migrants refused to accept them as wives when they returned from abroad. Although, they (the husbands) had no problem in enjoying the money. Some meaningful steps should be taken toward the rehabilitation of these migrants."

Conclusion

The public hearing concluded that while considering the cost of migration both economic and social costs should be included. Reducing economic costs and social harms suffered by migrants should be a priority concern of all governemnts - sending, transit and receiving. As social and economic costs are borne by almost all the sending countries multilateralism should be encourged in setting standards in this respect.

References

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