

## Facing the Challenges of Labour Migration from Bangladesh

Short-term labour migration has become one of the core foreign currency earning sectors in Bangladesh. Yet, development of this sector is being challenged by the lack of rights based legal support, inadequate policies, and protracted implementation process. The number of female labour migration is rising but skilled female migration, such as nursing, is in need of appropriate government policy for its expansion. Recently the government has established Probashi Kallyan Bank as a specialised financial institution for migrants to facilitate remittance transfer, provide migration loan and expand investment opportunities. However, the Ministry and its line agencies lack sufficient budget and human resources. Moreover, high migration cost undermines the gains from the sector. In order to derive benefit from this sector, conducive policy and proper implantation of those are crucial. To facilitate this process, 2012-2021 should be declared as the Decade of Migration.

### Major Reforms Initiated

#### 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. During the last 3 decades, dynamics of labour migration has changed dramatically. Major countries of destination for Bangladeshi labour migrants, such as Gulf and Southeast Asian states, 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 the rule rather than the exception. 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<sup>1</sup>. The committee suggested revision of four clauses of the law. The Law Commission of Bangladesh initiated another review process. 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 Migration and Overseas Employment Act 2011 aims to govern migration by ensuring migrants rights. It upholds the principle of non-discrimination and makes provisions for emergency return of

*Goodwill of all involved with this sector is necessary to make labour migration successful.*

*- Ambassador of Bangladesh in Malaysia*

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 creates 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 could not go directly to court against the misconduct of a



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recruiting agency. The new draft law creates 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. 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 groups cannot change any important section of the draft while they are placed before the cabinet.

### Overseas Employment Policy

With persistent demand from civil society, the Overseas Employment Policy was enacted on 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 reducing irregular flows and increasing the scope of regular migration from all areas of Bangladesh at a rational cost. It commits to protecting the rights, dignity and security of its workers within and outside of the country, and to ensuring the social protection of the families left behind and the assets of the migrants. The policy reiterates to consider misconduct in the recruitment process as an act against the national interest of the country. Most importantly it vouches for the allocation of greater resources to strengthen existing institutional infrastructure for the implementation of the above policies.

*Challenges and prospects:* Although the Policy has been in place for last five years, 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 the rights of workers, it is

### Editor's Note

Labour migration is an important part of the current global economy. In 2010, around 214 million people were residing outside their country of origin and they transferred globally USD 441 billion in remittances<sup>2</sup>. 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 and 9 times higher 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 from 2005 to 2010<sup>3</sup>. Goldman Sachs, the renowned investment banking and securities firm, identified Bangladesh as one of the Next Eleven countries having high potential to become one of the world's emerging economies in the 21st century<sup>4</sup>. Migrant remittance plays a crucial role in achieving such status.

Forced return of migrants due to the global financial crisis and the political uncertainties in the Middle East, particularly in Libya, present another challenge for the governance of labour migration. The government needs to develop its capacity to cope with such unexpected crises. Since the outbreak of the crisis the government of Bangladesh has had to evacuate 36,000 Bangladeshi workers from Libya. The 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 a new responsibility on the shoulders of the government and the private sector.

Bangladesh has recently been experiencing growth in the 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 Bangladeshi migrants were women<sup>5</sup>. It is important to respect women's right to movement for international employment. 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 including in 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.



*A potential migrant worker*

*Government can appoint functionaries in every subdistrict to create skill wise database of potential migrants. These details should be connected with relevant ministries, line agencies and foreign missions. Foreign employers can select workers from the database.*

*- Ambassador of Bangladesh in Malaysia*

essential to develop a target-oriented action plan. Such action plan should ensure the implementation of the overseas employment policy 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.

*Challenges and prospects:* Male migration from Bangladesh has been declining since 2009, whilst female migration is on the rise. However, female migrants face several problems in the country of destination. In many cases the females are confined to the residence of the employers and cannot communicate with others. They remain unreachable in case of an 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 the security of its female migrant 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 government training, 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 (Migrant Welfare Bank) 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 the Government of Bangladesh is the repository of the Fund.

*Before migration, one should have enough idea about the destination country. He should know how to speak, how to move on the roads. I think if government provides training on these issues to workers before going abroad, they will not face problems like we do.*

*- Mohsin Hasan, Bangladeshi worker in Malaysia*

### **Further Reading**

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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

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

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

*Challenges and prospects:* It is of immense importance that the Probashi Kalyan Bank achieves its desired goals. Its stated goal of 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 in 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 Kalyan Bank are enormous. As a specialised financial institution, this bank must forge partnerships with commercial banks and non-government organisations in processing, disbursement and recovery of loans. It can also use the extensive network of post offices in remittance transfer. Most importantly the operation of the banking should be completely automated<sup>6</sup>.

## Major Challenges of Labour Migration

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 low skilled<sup>7</sup>. Globally, unskilled workers share the most unprotected, exploited workforce. Bangladeshi workers are no exception. Non-payment or delayed payment of wages, physical violence and arbitrary deportation are common experience for a large number of Bangladeshi unskilled and semiskilled workers.

A significant proportion of Bangladeshi workers become irregular due to reasons operational both in

Bangladesh and in the countries of destination. Recently, the country has been 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<sup>8</sup>. 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 African countries will also participate in the Gulf labour market along with the newly entering Southeast Asian countries. This indicates that the competition for entry in to the labour market is going to be tougher.

## Migration Sector in National Development Plans

Studies have found that a 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<sup>9</sup>. Moreover, remittances also enable migrant-led households to access better education and healthcare services than non-migrant families<sup>10</sup>. 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 has 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. The Ministry has been able to incorporate the issue of migration in different chapters.

*Potential female migrant workers after the skill development training*



### Inadequate Resource Allocation

The Ministry of EWOE is the most important apparatus within the government that manages migration. However, the ministry suffers from severe resource shortages. The Ministry and its line agencies have a 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 the Bureau of Manpower, Employment and Training (BMET), the line agency of the Ministry of EWOE, manages 38 Technical Training Centres (TTCs) in Bangladesh. These training centres target both local as well as international employment. There is a persistent tension in administrating these training centres as two separate ministries, Ministry of Labour and EWOE, run these training centres under the supervision of BMET. About 2,000 trainers from these centres need urgent capacity building training to conduct modern courses. Again, most of these TTCs face major budget deficits. Moreover, the Bangladesh Technical Education Board (BTEB) of the Education Ministry, responsible for coordinating training and approving the training curricula within these centres, lacks adequate human resources 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<sup>11</sup>. 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<sup>12</sup>. Nurse migration from Bangladesh is insignificant in number as local demand is scarcely met. 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, the Ministry of Health and Family Welfare formed a high level taskforce to review the 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

*I took 180,000 BDT from my father-in-law and then migrated to Malaysia with that money. I am in Malaysia for 3 years and 4 months. My hope of building a house will never come true. I came here with a lot of hopes, which will not be fulfilled.*

*- Saiful Islam, Bangladeshi worker in Malaysia*

*Many of our people are working in such companies that didn't bring them here and become irregular workers. Some people leave recruiting company for more salary; they also become illegal. The source of all these problems is their high migration cost.*

*- Ambassador of Bangladesh in Malaysia*

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

The high cost of migration is the result of several causes persisting at both countries of origin and destination. Visa trading and involvement of intermediaries at different stages spiral 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 as much as USD 2,000 upfront. On the other hand, Bangladeshi recruiting agencies, local intermediaries and dishonest public sector functionaries retain their margin from the same amount. Under these circumstances when a migrant secures a visa s/he has to pay the entire amount which is much higher than the 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 a 'thrust sector' for the economy and should allocate the equivalent of at least 0.5 percent of remittances earned per fiscal year to the sector. Migration should be incorporated in the national development plans for effective management of the migration sector.
- The Ministry of EWOE should be redesigned with at least five separate departments, such as 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 and human resource development to be borne from the development budget.
- 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

*We have primary schools, colleges in all villages or in upazillas. If we can provide training in evening shift in these institutions, I think we can somewhat manage the problem.*

*- Ambassador of Bangladesh in Malaysia*

updated training equipment. The capacity of the trainers should be regularly updated with continuous Training of Trainers. The Bangladesh Technical Education Board (BTEB) should set a minimum standard of training considering demand in the international market. Resources 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 be given emphasis. Nurses should come from all educational disciplines instead of being limited to a science background for enrolling in BSc nursing. In order to ensure knowledge in a necessary science course, students with a non-science background have to undertake a pre-course in those subjects.
- The issue of high visa cost should be placed in

#### Further Reading

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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

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different international forums such as the Global Forum on Migration and Development. A multilateral approach would help to stop visa trading 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 to find effective solutions. In the Bangladesh context, adequate legal steps should be taken to reduce the number of intermediaries to lower the high labour migration cost.

#### Conclusion

This policy brief sheds 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. The government may consider declaring 2012-2021 the decade of migration and undertake necessary policies and programmes to face the emerging challenges in migration sector and to promote safe labour migration from Bangladesh.

#### End Note:

1. 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.
2. UNFPA 2011 and World Bank remittance data 2011.
3. Siddiqui, T, et al (2010), Targeting Good Governance: Incorporation of Migration in the 6th Five Year Plan, draft policy paper prepared by the RMMRU.
4. Global Economics Paper no 134, O'Neil, James et al. (2005)
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6. Policy Dialogue on Probashi Kallyan Bank: Developing Strategies for Serving Migrants held on 29 May 2011 organised by the RMMRU
7. BMET data on skill wise migration, 2011, www.bmet.gov.bd
8. BMET Data on country wise Migration, 2011, www.bmet.gov.bd
9. Siddiqui, 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
10. Siddiqui, 2011
11. BMET data on skill wise migration, 2011, www.bmet.gov.bd
12. RMMRU Policy Brief 5; Institutional and Regulatory Reforms for Training of Nurses for Overseas Employment.

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6/8 Humayun Road, Block-B, Mohammadpur, Dhaka 1207, Bangladesh. Tel 88 02 9131 424, 88 02 8124 976, 88 02 8156 772.  
Fax 88 02 8142 021, email @iid.org.bd, www.iid.org.bd