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# Jobs abroad for a better life

## At what cost?

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International migration for employment is an important channel through which the process of economic globalisation works. Although this channel is relatively less active compared to the other channels like international trade and cross-border flows of capital, it is growing in importance because of differences in the rate of growth of population and labour force in different parts of the world. While there are some countries like Bangladesh, where labour force is growing at a rate higher than the rate of employment growth, there are those where the opposite is the case. This creates situations for workers to move from the former type of countries to the latter. There is a long history of emigration of the people of Bangladesh in search of jobs and better life, but short-term migration for jobs is a relatively

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recent phenomenon. The flow of such migration has become increasingly substantial over time—with, of course, a good degree of fluctuation from year to year.

Overseas employment not only helps workers and their families in improving their lives, it makes a valuable contribution to the economy of the country. This can be gauged from several pieces of statistic. First, the annual flow of remittances has increased from less than 2 billion USD in 2000 to over 15 billion USD in 2014-15 when remittances received were equivalent to about 8 per cent of the country's GDP. For Bangladesh, this is the second largest source of foreign exchange earnings after ready-made garment exports. In fact, it has contributed substantially to the recent building up of foreign exchange reserve of the country. Remittances in 2014-15 were equivalent to about 61 per cent of the reserve in 2014-15. Second, in terms of employ-

ment, during the three-year period of 2012 to 2014, about half a million people found jobs abroad every year—representing over a fifth of the annual addition to the total labour force of the country and over half the additional jobs created by the manufacturing sector in recent years. It is thus clear that overseas employment is important not only from the macroeconomic point of view but also in terms of employment.

While overseas employment and workers' remittances are playing a very important role in the economy of Bangladesh, an important question is the cost—monetary as well as non-monetary - at which this is happening. The monetary costs incurred by the workers and their families in the process of going abroad with jobs (or sometimes without a specific job but only with a "promise" of a job) is very high, and the non-monetary costs take a variety of forms ranging from the adverse effects on family life and on the development of children of families split by long absences of one of the parents. The main focus of the present article is on the costs involved in the quest for improved life; but we start by looking first at who migrates, why they migrate, and what process one has to go through.

**Around five lakh people have been finding jobs abroad in recent years**

While emigration of people from Bangladesh has a long history, short-term migration for employment started in the 1970s and picked up pace gradually. From just over 6,000 in 1976, the number of people going abroad for jobs increased to around 100,000 by the end of 1980s. But the pace gained momentum during the 2000s and after 2005, there was a sharp increase in the flow for a couple of years (Figure 1). However, that sharp rise was short-lived and the numbers in recent years have hovered between 400,000 and 500,000.

Although workers from Bangladesh find employment in a large number of countries of the world, a few countries in the Middle East (e.g., Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Oman and Qatar) and in Asia (viz., Malaysia and Singapore) account for most of the jobs. Of course, there has been a change in the mix of major destination countries for workers from Bangladesh, and some developments are worth noting in that regard.

• In recent years, especially after 2007, there has been a sharp decline in

the flow of workers to Kuwait, Saudi Arabia and Malaysia.

• The decline mentioned above has been made up to some extent by a rise in the flow to Oman, Qatar, Lebanon and Singapore.

• On the whole, there has been a slight diversification in the destination countries for overseas employment of workers from Bangladesh. Up to 2005, the major eight countries (viz., Saudi Arabia, UAE, Kuwait, Qatar, Bahrain, Oman, Malaysia and Singapore) accounted for over 95 per cent of the flow, but declined gradually after that to about 74% in 2014.

The trend of overseas employment by gender indicates that in the past women accounted for a negligible proportion of migrant workers from Bangladesh. However, there has been notable increase in the number of female workers going abroad in recent years (Figure 2).

**Most of the migrant workers are young with low levels of education and skills**

Most of the migrant workers from Bangladesh are young men with low levels of education. Although the number of women going abroad with jobs has increased in recent years, as proportion of the total, it remains small. Most migrant workers are below 40 years of age (for women, more than half are below 30). A majority of them (i.e., all migrant workers) have low levels of education (below SSC), and another fifth completed SSC or HSC. Graduates account for just over five per cent of the total.

The majority of migrant workers of Bangladesh are in the unskilled ("less skilled", in the terminology used by the government) category, although in recent years, there has been some increase in the proportion of semi-skilled and skilled workers (Figure 3). While migration of skilled workers can have potential benefits in terms of higher paid jobs and hence higher remittances per worker, there are negative implications as well, especially in terms of the costs of training and loss involved in brain drain.

**Is poverty the major factor driving migration?**

Historically, in many societies, poverty has led people to migrate from one country to another in search of means to avoid starvation. But Bangladesh has now come a long way from the acute poverty that characterised the country in the 1970s? Why, then, people are still

so keen to go abroad for jobs?

Empirical analysis shows that the probability of migrant workers belonging to upper income groups is lower than in the case of the lower income groups. This may lead one to conclude that it is basically the poor who go abroad for jobs, and it is poverty that is the major driver. But given the high cost involved in the process of migration for jobs abroad, whether the poorest can afford that is an important question (more on this below). The reality of course is more complex, and one major driver of migration appears to be the lack of employment opportunities within the country and an aspiration for higher incomes and better living. As mentioned above, most of the migrant workers have low levels of education (SSC-HSC or less), and they are the ones who suffer from the highest rate of unemployment in the country. So, it is unsurprising that they are so keen, and often desperate, to go abroad for employment.

**Jobs abroad: the cost is very high**

The process of migration for work is beset with abuses and exploitation that include high costs and fees, attachment to a stipulated employer (which goes against the principle of freedom to choose employment), divergence between contractual obligations and real conditions at work (especially payment of wages that are lower than stipulated in the contracts), and so on. Particularly vulnerable are workers with low education and no skills and women workers. For the latter, especially for those who work as domestic help, in addition to abuses suffered by migrant workers in general, an additional risk is sexual harassment. An ILO report (ILO, 2010) sums up the situation in these words:

"While international migration can be a positive experience for migrant workers, many suffer poor working and living conditions, including low wages, unsafe working environments, a virtual absence of social protection, denial of freedom of association and workers' rights, discrimination and xenophobia. Migrant integration policies in many destination countries leave much to be desired. Despite a demonstrated demand for workers, numerous immigration barriers persist in destination countries. As a result, an increasing proportion of migrants are now migrating through irregular channels, which has understandably been a cause of concern for the international community. As large numbers of workers -

particularly young people - migrate to more developed countries where legal avenues for immigration are limited, many fall prey to criminal syndicates of smugglers and traffickers in human beings, leading to gross violations of human rights. Despite international standards to protect migrants, their rights as workers are too often undermined, especially if their status is irregular". (ILO, 2010, p.2).

The situation for migrant workers from Bangladesh is no different from the general picture depicted above. Despite a number of step taken up by the Government of Bangladesh to protect the rights and welfare of migrant workers (see below), there are challenges that remain.

While abuses suffered by migrant workers are regularly reported in media, it is difficult to get concrete data, except on costs involved in migration and fees charged by agents. On other aspects, apart from media reports and anecdotal evidence, there is not much by way of concrete data. For example, some data are available on the number of complaints received from migrant workers, but the breakdown of such complaints by their nature is not available. Moreover, the pace of getting any redress also is rather slow. One study (Wickramasekara, 2014) reports that in Bangladesh, out of a total of 3116 complaints received during 2009-2013, only about 55 per cent were settled.

**How does the cost compare with those in other countries of South Asia?**

High costs incurred by migrant workers is a major issue in many countries, but Bangladesh is at the top in this respect. In 2008, the actual cost per migrant going to the Middle East was between USD 2991 and USD 3263 (about Tk. 250,000 at the current exchange rate) compared to the next highest figures of USD 1181 to USD 1737 in India. The cost was the lowest in Sri Lanka where it was less than USD 800. Similar figures are reported for migrant workers going to Malaysia and Singapore. In relation to GDP per capita, the cost in Bangladesh was 4.5 times while in the Philippines and Sri Lanka the figures were only 0.5 and 0.25 respectively (i.e., half and one fourth of GDP per capita). Such sharp differences in the cost of migration to similar destination countries imply differences in the effectiveness of administration of migration.