

## Institutional Assessment of Migration Systems in Bangladesh

### *Initial findings meant to inform future areas for Bank support on policy reforms/capacity building*

#### Introduction

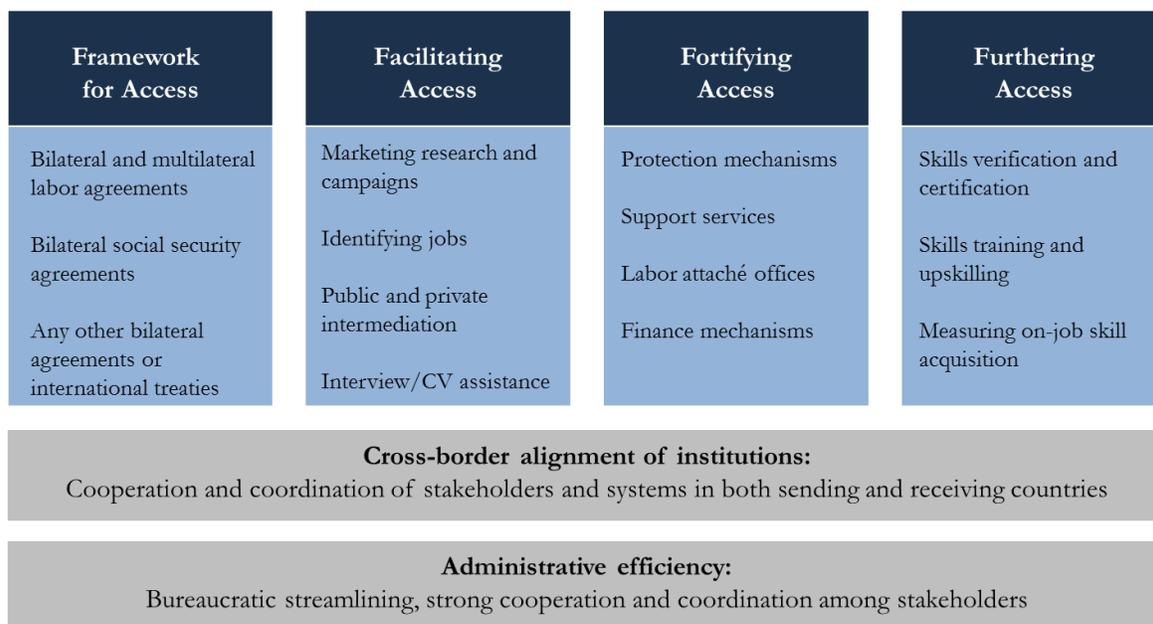
International labor migration is becoming an increasingly important employment strategy for developing countries. Labor surpluses and youth bulges paired with insufficient domestic job creation mean that for many countries, access to foreign labor markets is the only immediate answer to avoiding a significant increase in unemployment. Fortunately, labor shortages in many traditional receiving countries are likely to prompt increased openness of these markets for workers from developing countries. As recent events have made clear, however, policy and institutions have not kept pace with this changing reality. While increasing mobility creates huge potential increases in global welfare, accessing these gains requires careful management and facilitation of labor flows to avoid low-level (dis-) equilibria or, put differently, to maximize the potential gains of migration for the sending country, migrants, and receiving country (Holzmann and Pouget 2010). Sending countries will need to design labor-sending systems that balance increased mobility with protection throughout the entire migration process, while ensuring that supply and demand for specific skills are matched.

Since the 1980s, Bangladesh has been an increasingly important source country in international flows of contract labor migration. While the primary destinations for Bangladeshi migrants have historically been the Arab Gulf states, particularly members of the Gulf Cooperation Council (GCC), international labor migration from Bangladesh began to expand in the 1990s beyond the GCC states, however, to include a wider range of countries including Japan, Lebanon, Malaysia, Mauritius, Singapore, and South Korea. The annual flow of Bangladeshis in search of employment overseas increased fourfold – from around 248,000 in 1999-2000 to more than 980,000 in 2007-2008.

As labor migration becomes increasingly important to the economy of Bangladesh, so too do the institutions managing migration. These include institutions governing the processes by which workers are recruited and employed abroad, the protections they receive while abroad, and support they receive upon their return home. These institutions are not only crucial to the well-being of workers; strong institutions are essential to accessing the economic gains of migration. A close look at Bangladesh's migration system will provide the Government of Bangladesh with the necessary tools to improve existing corridors and increase access to labor markets that are just beginning to open up to Bangladeshi workers.

Fully functioning labor sending systems include four key pillars: (1) the *Framework for Access*, legal frameworks and international agreements allowing for the movement of labor between countries; (2)

*Facilitating Access*, tools for labor intermediation to help workers through the difficult process of identifying and obtaining jobs overseas; (3) *Fortifying Access*, protection mechanisms and support services that mitigate risks of migration for workers; and (4) *Furthering Access*, which creates institutions to expand and diversify foreign market access via upskilling and moving up the labor value chain. Underlying these pillars are foundational themes of administrative capacity/efficiency and cross-border alignment of institutions to ensure that supply is meeting demand.



This paper applies this structure to an assessment of the existing labor sending system in Bangladesh. Section I provides a quick overview of existing migrant flows from Bangladesh, key push and pull factors, and the migration of women in particular. Section II provides background on the *Framework for Access*, including existing Bangladeshi laws addressing migration including bilateral agreements and domestic policies and key government institutions in charge of setting migration policy and regulating migration. Section III explores the existing processes for *Facilitating Access*, focusing in particular on the private recruitment process. Section IV looks at current efforts on the part of GoB for *Fortifying Access* through protecting and improving migrant welfare, and Section V explores *Furthering Access* via training mechanisms for overseas employment. Finally Section VI offers recommendations for addressing gaps in the institutional structure moving forward.

## I. Context

### Numbers

In 2016 in the Seventh Five Year Plan, GoB estimated that there are almost 9 million Bangladeshi migrant workers in 160 countries. The share of skilled and semi-skilled migrant workers increased from 28.42% in 2010 to 53.79% in 2014. Moreover, the share of migrant workers in lagging regions also increased from 13.43% in 2010 to 20.53% in 2014. The share of female migrant workers has increased from 7.09% in 2010 to 17.86% in 2014

According to BMET, there are currently Bangladeshi migrants in 160 countries; however, 92% of these migrants exist in 9 key receiving countries with very small flows to the remaining countries. Short-term contract labor migration is the most common form of migration from Bangladesh. Saudi Arabia, UAE, Kuwait, Qatar, Oman, Iraq, Libya, Bahrain, Iran, Malaysia, South Korea, Singapore, Hong Kong and Brunei are some of the major countries of destination. Saudi Arabia is largest recipient and accounts for nearly one half of Bangladeshi migrants, with UAE coming in second.

The importance of accessing overseas job opportunities for Bangladeshi workers is high and growing. Despite impressive GDP per capita growth in recent years, jobs remain a critical concern in the country: the labor force is growing by 3.1 percent per annum—which is 1.3 times the South Asian average and 1.7 times the global average. This implies that 21 million people are projected to enter the working age population and 2.1 million are projected to enter the labor market per year over the next decade).<sup>1</sup> These will mainly be youth coming of working age, which is of particular concern as the 2013 Labor Force Survey revealed that unemployment is much higher among those 15-29 years old compared to other age groups. As such, access to employment via international labor markets will only increase in importance in the coming years.

The coming years are likely to see a rapid expansion of migration from Bangladesh as labor markets continue to open to Bangladeshi workers. In August 2014, Malaysia announced it resume would hire Bangladeshi workers in all sectors of the country, which had for a period of time been restricted to the forest sector, in addition to legalizing the stay and work of 267,800 unauthorized Bangladeshi workers. In October 2014, United Arab Emirates (UAE) announced that it would open discussions with Bangladesh for recruiting Bangladeshi workers which ceased in 2012, and towards this end posted a labor attaché at its embassy in Dhaka. In December 2014, Kuwait, which was until a 206 ban was one of the largest markets for Bangladeshi migrant workers, announced that it would resume hiring workers from Bangladesh.<sup>2</sup>

In February 2015, Saudi Arabia announced that it was lifting a seven-year ban implemented in 2008 on the recruitment of Bangladeshi workers and to that end worked closely with GoB to prepare for resuming recruitment in May 2015. However, the focus of this reopening was almost exclusively on hiring female domestic workers. At the time of writing, the Saudi recruitment guidelines stated that the ratio of male

---

<sup>1</sup> CPF for Bangladesh 2016

<sup>2</sup> Interview with BMET

to female Bangladeshi workers from each recruitment agency could not exceed 1:1 until the recruiter had provided 200 female workers (which has proven for most to be a difficult feat).

However, recent declines in oil prices as well as efforts to incentivize hiring more national over foreign workers (so called Saudization/Emiratization agendas) threaten to undermine employment opportunities in the GCC. These forces, combined with low remuneration and reported abuse, create a powerful argument for policy intervention in two key areas: finding mechanisms for improving the processes that can increase remuneration and reduce abuse; while also expanding access to current receiving markets and diversifying to other destination markets which are also experiencing labor shortages. Further, while Bangladeshi workers have certain natural advantages in foreign labor markets (particularly in the GCC), they will face competition from other major labor-source countries which are also looking outwards and advantage of labor demand in overseas markets.

The high concentration of Bangladeshi workers in a few overseas labor markets, as well as the concentration at the lower end of the skill distribution, make out migration from Bangladesh more vulnerable to changes in either market conditions abroad or diplomatic relations. The reopening of several corridors as described above provides a unique opportunity for diversifying access to foreign labor markets. Some new markets are also beginning to express interest in hiring Bangladeshi workers. For example, Russia is looking to hire workers in the garment industry. A delegation from BMET went to Moscow in spring 2016 and intended to begin sending workers by July.

## Factors in Migrant Flows

The largest factor in the decision to migrate is the desire to improve economic well-being. In a 2013 survey by the Asia Foundation of Bangladeshi aspiring migrants, 84% respondents focused on economic factors, including the wish to attain financial solvency (44%), increase their income and savings (14%), escape poor economic conditions (9%), escape unemployment at home (15%), and related factors (5%). 12% stated that they simply sought better economic opportunities than the ones they currently had in Bangladesh. Non-economic factors were less prevalent, but included adverse conditions at home (3%), favorable conditions or family abroad (1%), or inducement by family members and friends (1%).

The same survey asked aspiring migrants about their current occupation. 31% reported that they were currently unemployed, while 22% were engaged in some form of business enterprise, 16% worked in agriculture, and 13% were unskilled laborers. Bangladeshi migrants tend to come from the lower end of the skill distribution – For example, in the Saudi case, 75% of the Bangladeshi migrant workers employed were less-skilled; 4% were semi-skilled, and 21% were skilled. As such they generally seek jobs abroad in industries such as construction, domestic work, gardening, etc.

It is important to note that while higher incomes were the key factor in the decision to migrate, in many cases migrants lack an accurate estimate of their potential earnings in the host country. For example in Saudi Arabia, although 57.2% of the aspiring Bangladeshi migrants expected to make salaries ranging from \$244 to \$488 per month, in reality, 62.7% of the workers actually earned a salary ranging from \$61 to \$244. Only 14.6% of migrants had expected their salary in Saudi Arabia to be that low. This indicates a

large gap between salary expectation and actual salary earned for Bangladeshi migrants, which would distort their decision making process and speaks to a need for increased access to information on salaries.

## Female Migration

In recent years, the portion of female workers in terms of total migrant flow from Bangladesh has increased at an increasing rate. In 2002, according to Bureau of Manpower Employment and Training (BMET) records, women workers constituted 0.54% of the total number of Bangladeshi workers who migrated overseas in that year. This share increase to 6.14% in 2012 and 13% in 2013. In the Saudi context in particular, this trend is likely to continue as Indonesia, Nepal, Sri Lanka, and the Philippines have placed bans on their female citizens migrating to Saudi Arabia for employment. Under the Seventh Five Year Plan, GoB has set a goal to increase the share of female migrant workers from 17.86% in 2014 to 30% in 2020.

Female migration has a complicated institutional history in Bangladesh. From 1981 to 1998, GoB repeatedly banned or restricted the outflow of less-skilled women (factoring into migrant women workers making up just 1% of the total flow of registered migrants up through 2003). In 2003, GoB eased the restrictions on the migration of unskilled and semi-skilled women over 35. However, those under 35 are still restricted from migrating on their own. Women must also be at least 25 years of age to qualify as overseas migrant workers.

These bans and restrictions have likely led to underreporting of female migration from Bangladesh. The International Organization for Migration (IOM) and the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW) (2000) and Siddiqui (2001) estimated that the number of female migrants might be 10 to 50 times more than the official figures.

Only 40% of migrant women workers are estimated to migrate through recruitment agencies, while the remaining 60% head abroad with the help of relatives and friends who reside in destination countries. Women who migrated through the assistance of an overseas relative report feeling more security in their migration process and were also better informed about life and work abroad.

Women face far greater danger of physical and sexual violence in the host country, which may necessitate new or expanded institutions for their protection. Domestic workers, in particular, are at risk of physical, sexual, and emotional abuses, including rape, confinement, underpayment or non-payment of wages, as well as a range of other abuses, since their living and working conditions are entirely dependent on the personal relationship between the worker and the employer. In one study of 150 Bangladeshi returning migrant women, 70 (47%) had their passport taken from them and withheld while abroad (Siddiqui, 2001). The kafala (sponsorship) in the GCC also makes it more difficult to exit abusive situations as workers are tied to their employer and cannot remain in the country if they leave their employer (Timothy & Sasikumar, 2012).

For women preparing to go abroad, an ILO 2014 survey noted that securing childcare arrangements at home is a major concern. In most cases, the migrant women's mothers took the children into their homes

to provide care. However, this may become more complicated as the scale of female migration increases and may require new solutions.

The reopening of the Saudi corridor is at present focused almost exclusively on female migration. Saudi employers need 30,000 domestic workers by Ramadan; however, at the time BMET had only been able to access data for 3,000 female workers. Recruiters attributed the low response rate to the unfavorable terms offered by Saudi employers – 800 riyals plus 200 riyals per weekend worked, notably less than is paid in other GCC countries. By spring 2016 as a result of this initiative, recruiters reported that between 48000-50000 female workers had gone abroad. However, news agencies from Saudi stated that large portions of these flows quickly returned to Bangladesh.

Recruiters also note that in addition to all of the unique issues and concerns associated with female migration, it is also significantly less profitable for them than male migration. This is due primarily to the lower wages, and as such associated recruitment fees, offered for female workers. Recruiters also claim that females have a higher rate of return, the cost of which is theoretically born by the recruiter and therefore drives down their profits. In the current system, recruiters are responsible for paying the cost of migrant return. This applies not only to return at the end of a contract, but also to return of workers who wish to break contract, as in the case of abuse or mistreatment. This puts the recruiters in a position where they can refuse to cover the cost of return for a worker whose claims of abuse they believe to be false. As a result, recruiters must deposit a larger amount to recruit female workers as opposed to male (30 lakh BDT versus 15 lakh BDT). This is to be able to better provide for their return in case of adverse scenarios. This deposit is forfeited into the welfare fund if the recruiter refuses to pay for the female worker's return home.

## II. Framework for Access

The *Framework for Access* includes all documents and agreements that provide the legal structure governing the movement of workers between two countries. These frameworks govern terms of admission into the country, access to the labor market, access to safety nets, and rights and protections throughout the migrant's stay in the host country. It also includes the primary government institutions responsible for managing migration on the side of the sending country.

### Laws and Policies

The first law to regulate migration and recruitment in Bangladesh was the Emigration Act of 1922, which was replaced by the Emigration Ordinance of 1982. The key standing laws on migration within Bangladesh today are: the Recruiting Agents Code of Conduct and License Rules of 2002, the Overseas Employment Policy of 2006, the Sixth Five Year Plan of 2011, and the Overseas Employment and Migrants' Act of 2013.

### Bilateral Agreements

Labor agreements are the primary vehicle through which legal frameworks governing movement of workers are established. While multilateral labor agreements do exist (such as those found in ECOWAS, MERCOSUR, and recently ASEAN to a limited extent),<sup>3</sup> the overwhelming majority are bilateral; as of 2004, OECD<sup>4</sup> countries had negotiated more than 170 bilateral labor agreements (BLAs) (OECD 2004). BLAs may be formal treaties, or more commonly, less formal memorandum of understanding (MOUs). For example, rather than creating a legal relationship between parties, BLAs in the Pacific document negotiated agreements between Pacific governments and Australia or New Zealand on policy, principles, roles, and relationships necessary for managing labor migration and achieving agreement on practical matters for managing labor migration (Luthria and Malaulau 2013). MOUs are not legally binding, and as such their effectiveness depends highly on how they are implemented and enforced in practice. Sending countries can do little on their end if receiving countries do not want to enter into or implement an MOU. As such, they involve greater uncertainty for sending countries but also offer greater structure and legitimacy to labor flows.

Successive Bangladesh governments have sent high-level delegations to various labor-receiving states to negotiate such agreements. However, there has been a general reluctance among labor-receiving countries to sign BLAs or MOUs with Bangladesh that are legally binding. Bangladesh has existing MOUs with Malaysia (2003/2006/2016), UAE (2007), South Korea (2007), Republic of Korea (2007), Qatar (1988/2008), Kuwait (2000/2008), Oman (2008), Libya (2008), and the Maldives (2011). It also has two bilateral labor agreements: Kuwait (2000/2008) and South Korea (2007).

Because the vast majority of its agreements with labor-receiving countries are not legally binding, the Bangladesh government has developed a set of minimum standards for its overseas workers. These include wage scales, working and living conditions, gratuity, medical facility, and compensation. For

---

<sup>3</sup> ECOWAS = Economic Community of West African States ; MERCOSUR = *Mercado Común del Sur*; and ASEAN = Association of Southeast Asian Nations.

<sup>4</sup> Organisation for Economic Co-operation and Development.

instance, Bangladeshis going to the United Arab Emirates must receive a monthly salary of AED 600 (USD 163) if food is included; otherwise the minimum is AED 750 (USD 240). When an understanding is reached with any country for sending labor, the Bangladesh government then hands over the set of standards with the implicit understanding that the receiving country will honor it. However, this does not place the country concerned under any legal obligation.

The current MOUs were negotiated in the context of large power differentials between Bangladesh and the receiving country. This can be seen both in the case of the recent reopening of the Saudi corridor and the G2G with Malaysia. In the Saudi case, the minimum wage that was finally agreed upon in the MOU of 800 riyals was well below the Bangladeshi term of 1200 riyals, the result being a shortage of workers based on weak recruitment on the Bangladeshi side and pressure on the Saudi side for increased supply of workers. In the Malaysia context, the power differential manifested in the slow processing time on Malaysia's part of passports and visas. Passports, which are supposed to take 24 hours to process, are being returned by the Malaysia embassy in 20 days, and visas have taken in some cases up to a year and a half to process.<sup>5</sup> However, a new agreement has been reached with Malaysia which will allow for larger numbers to go through this channel. It will also be administered through newly-developed web-based mechanisms, which should streamline many of the procedures which caused delays in the first G2G.

#### **Overseas Employment Policy (2006)**

The Overseas Employment Policy of 2006 was developed to enable GoB to extend assistance to all Bangladeshi citizens in the process of choosing standard employment and protect migrant welfare. The intention of this policy was to work on reducing irregular flows and increasing the scope of regular migration. It focuses on protecting rights and safety for workers while abroad as well as the social protection of families who remained behind. It also strengthened focus on preventing misconduct in the recruitment process, and aimed to provide allocation of necessary resources to strengthen the existing institutional infrastructure and personnel for the implementation of the policy.

The capacity building for implementation of the OEP focused on informing and training aspirant migrant workers to compete in global markets, providing support and advocacy for migrants while abroad, and negotiating fair contracts and bilateral agreements. However, while the policy was in place for many years, there was never any comprehensive action plan developed towards its implementation. Individual sections were implemented in an ad hoc fashion with no monitoring or evaluation put in place. As a result, the OEP was revised and formalized in 2013, leading to the Overseas Employment and Migrants' Act.

#### **Overseas Employment and Migrants Act (2013)**

The Overseas Employment and Migrants' Act of 2013 is the result of modifications made to the Overseas Employment Policy of 2006. Its primary contributions come in the form of regulations of the recruitment process. Section 9 of the law lays down the list of professional background- and conduct related documents that must be submitted by an applicant wishing to apply for a license to recruit for the international labor market. This section makes it mandatory that only a license-holder can be a recruitment agent and thereby it renders all intermediaries and sub-agents of the agents illegal. Section

---

<sup>5</sup> Interview with BMET representative.

9 requires the government to investigate an applicant's past conduct before issuing a license. It also requires the government to charge a license fee to the applicant in exchange for issuing a recruitment agent license.

Section 10 of the Migrants' Act 2013 puts forth eligibility criteria for potential recruiters. This section sets the way for the international recruitment organizations to obtain a recruitment agent license and to operate from Bangladesh, if 60% of shares in or capital ownership of that organization is with Bangladeshi nationals. Whether issued to an individual or to an organization, the recruitment license is non-transferable. Similarly, a license-holding company is required to seek the approval of the government before making any change in the ownership pattern.

In order to ensure monitoring of recruitment agents, Section 11 of the law clarifies that the recruitment license is renewable but valid for a period of three years at a time. Section 13 of the Migrants' Act lays down the conditions or reasons that may lead to cancellation or suspension of the license. Under Sections 14, recruitment agents are permitted to open branch offices, a permission intended to undermine the role of dalals and regional intermediaries in the recruitment process. However, branch offices are considered financially unviable, so this change in the statute is unlikely to significantly impact existing recruitment structures.

Section 15 lays down the duties of recruitment agents to ensure safe migration and protection of the workers' interests. Section 16 places a responsibility on the government to establish a performance-based grading system for the classification of recruitment agents, which was established with support from the IOM.

However, while final outcomes are yet to be seen, there are significant concerns around GoB's ability to enforce the Act. As of 2014, BAIRA was refusing to agree to the terms set out in the Act regarding recruitment practices. BAIRA's stated concern is that the law could be compromised by officials who would oversee implementation, and that the categorization and ranking of recruitment agencies may fall under the influence of bribes. To our knowledge this dispute has not yet been resolved, but could certainly undermine GoB's attempts at reforming the recruitment industry

### **Five Year Plans**

Overseas employment was also, on a higher order level, brought into the national growth strategy via the Sixth Five Year Plan (published in 2011). This policy framework focuses specifically on increasing the skills of overseas workers. While the current overseas employment strategy focuses on sending low skilled manpower; the new strategy will focus on sending semi-skilled and skilled manpower to existing as well as new destinations. Specifically, the goal of the new strategy is to increase overseas employment of skilled labor from 35% to 50% of the overseas workforce. In the Seventh Five Year Plan (published in 2016), the status of migration was raised to a primary goal under the plan for boosting the services sector. This plan contains very ambitious goals for continued upskilling of the Bangladeshi migrant population and diversification of access to foreign labor markets. As yet it is not clear what steps have been taken towards its implementation as the plan was only recently enacted.



## Government Institutions

There are five key government ministries in Bangladesh which deal with international labor migration: the Ministry of Expatriates' Welfare and Overseas Employment (MEWOE); the Ministry of Home Affairs; the Ministry of Foreign Affairs; the Ministry of Finance; and the Ministry of Civil Aviation and Tourism.

### Ministry of Expatriates' Welfare and Overseas Employment

In 2002, GoB created a new ministry – the Ministry of Expatriates' Welfare and Overseas Employment (MEWOE) – and transferred to it functions previously performed by the Bureau of Manpower, Employment and Training within the Ministry of Labor. MEWOE is responsible for implementing the rules framed in 2002 under the Emigration Ordinance 1982 and now the 2013 Overseas Employment and Migrants Act. Three entities exist under MEWOE: the Bureau of Manpower, Employment, and Training (BMET), The Wage Earners Welfare Board, and *Probashi Kallyan Bank* (PKB).

Its activities are concentrated in two broad areas: firstly, to create overseas employment opportunities and secondly, to address problems experienced by expatriates and to ensure their welfare. More specific functions include:

- Exploring foreign employment opportunities and markets by negotiating and signing agreements and MOUs with migration related international organizations and governments of receiving countries;
- To provide comprehensive training and modernize the overall training system to create a skilled labor force as per the needs of the foreign labor markets;
- To take measures to bring back the dead bodies of the migrant workers and extend financial aid to the families of the deceased workers, take care of afflicted migrant workers, provide scholarships to the children of migrant workers through Wage Earners' Welfare Fund and to undertake other welfare activities for the migrant workers; and
- Providing for the protection of workers while abroad by administering labor wings of diplomatic missions and addressing complaints of migrant workers.

MEWOE has a strong reputation within the government for being notably goal-oriented and high capacity in its leadership positions. However, the ministry suffers from severe resource shortages. MEWOE and its line agencies face a shortage of human resources as well as inadequate infrastructure. These issues undermine its capacity to adequately provide some of its key functions.

According to IOM representatives, MEWOE's main weakness is a lack of coordination with other ministries. While migration is a multidisciplinary issue and touches on the mandate of many different ministries (such as the Ministry of Labor, Ministry of Education, etc) MEWOE appears to lack strong connections and cooperation with these ministries. In particular, while the Ministry of Foreign Affairs and MEWOE are co-chairs of the Global Forum on Migration and Development currently, there appear to be difficulties in coordination and cooperation. In this same vein, there is difficulty in coordinating collection of data on return migrants by the Immigration Police at the airports. As a result, attempts to establish a return database have been unsuccessful, leaving MEWOE with no information on what migrants have

returned to the country. The Prime Minister has proposed a new committee which would convene relevant ministries on migration policy to achieve better cooperation; however, this committee has not yet been formed.

### **Bureau of Manpower, Employment, and Training**

The Bureau of Manpower, Employment, and Training is the executing agency of the Ministry of Expatriates' Welfare and Overseas Employment in respect to processing labor migration. BMET was created in 1976 by the Government to ensure maximum benefit from labor migration to the national economy. Since the Emigration Ordinance of 1982, it has been working as the implementing agency of the Ordinance. It is responsible for regulating the entire migration process and is engaged for overall planning and implementation of the strategies for proper utilization of manpower of the country. Currently BMET is responsible for a wide range of functions including: regulating and licensing recruiting agencies; collection and analysis of labor market information; registration and clearance of job seekers for local and foreign employment; development and implementation of training programs in response to specific labor needs both in the national and international labor market; development of apprentice and in-plant programs within existing industries; organizing pre-departure briefing sessions as well as several technical training programs; and resolving legal disputes. BMET is also beginning to conduct market research for ten key receiving countries with the help of ILO; however, there is currently no systematic permanent mechanism in place for conducting this research. BMET performs a wide array of functions, but does so with very constrained monetary and personnel resources. This limits its ability to function at a high level, despite admirable efforts on the part of its staff.

### III. Facilitating Access

Institutions to overcome information asymmetries and match labor supply and demand are widely acknowledged as a crucial element of domestic employment strategies. Overseas labor markets typically involve far greater challenges in terms of identifying jobs, matching workers with vacancies, and reducing information asymmetries. As such, to increase employment abroad, countries need to develop ALMPs that strengthen labor intermediation and recruitment to international markets. The labor intermediation and recruitment process is crucial to migration outcomes in terms of income impacts, employment outcomes, and migrant welfare. In a competitive environment, a transparent job intermediation process will require adherence to a common set of agreed operational frameworks on the part of both public and private stakeholders. Thus a system that allows for both coordination and oversight between these stakeholders must be in place to ensure the positive participation of private recruiting agencies. Enhancing the governance of this system, either via new institutions for governing labor intermediation or innovations in the recruitment industry, can lead to improved employment outcomes for migrants and enhanced access to potential labor markets.

Bangladesh currently has a mix of private and public recruitment systems which connect workers with overseas employment. District Employment Manpower Offices serve as a centralized location for workers to find information about overseas employment and register in the BMET database. On the public recruitment side, BMET is responsible for all recruitment through G2G agreements (such as those with Malaysia and possibly emerging with the Maldives), and the Bangladesh Overseas Employment Services Limited conducts recruitment for small batches of more skilled workers. On the private recruitment side, private recruiters, dalals, and family members often act in a chain to find overseas employment.

#### Public Employment Services

##### District Employment Manpower Offices

In recent years, MEWOE and BMET have diversified geographically in an effort to be more accessible to potential migrants. 42 District Employment Manpower Offices (DEMOs) have been established, and the direction is towards setting up DEMOs in every district of Bangladesh. Under the Seventh Five Year Plan, the goal is to establish 68 DEMOs and four divisional offices in order to expand access to overseas employment in more isolated, lagging areas. However, the existing DEMOs currently need more technical staff and community outreach staff in order to accomplish their objective of connecting workers with overseas employment. It is not clear whether both objectives can be accomplished at the same time, or whether MEWOE should focus on

##### Bangladesh Overseas Employment Services Limited

Established by GoB in 1984, BOESL is the only State-owned overseas recruitment company in Bangladesh. It operates as a private run company, but the majority of shares are owned by the Government of Bangladesh. Its purpose is to take on a direct recruitment role, in order to create competition with private recruiters and drive down the cost of recruitment. One of the main objectives of the institution is to minimize recruitment and migration cost through the provision of services for migrant workers under a

“no profit, no loss” strategy. BOESL fixes the cost of migration based on occupation, and cuts costs in part by operating through the BMET database of workers.

Though BOESL is relatively small and has low recruitment numbers, its main concern is with the quality of the recruitment process rather than quantity. By February 1999, BOESL had recruited a total of 8,900 workers i.e., 0.31% of the total number of those who went overseas through the official channel. BOESL is now a subordinate organization of the MEWOE and has taken on a lesser role in direct recruitment. Up through the 2011–12 financial year, a total of 31,149 migrant workers have gone abroad through BOESL. It is currently looking to expand by opening regional offices as well as offices in more key receiving countries for Bangladeshi workers. BOESL is also currently responsible for enhancing and processing all foreign employment demands from overseas governments or individuals. In addition, it promotes the employment of Bangladeshis in other countries. BOESL has also been responsible for recruitment in several of Bangladesh’s G2Gs, except Malaysia as the number of required workers was too high for its capacity. BOESL sends mainly skilled workers, particularly through the Korea Employment Permit System.

### **Private Employment Services**

There are three main avenues through which Bangladeshi workers find employment in foreign labor markets: recruiting agencies, intermediaries (dalals), and friends/family. Under the supervision, direction, and control of MEWOE and BMET, approximately 1200 international recruiting agencies are currently in operation in Bangladesh. In addition a large number of sub-agents and intermediaries (dalals) operate across the country – current estimates place the numbers at 10,000 sub-agents and around 1,350 travel agencies. About 53% of migrant workers use intermediaries, while 13% of migrants migrate through private recruiting agencies directly.

### **Private Recruiting Agents**

There are approximately 1200 recruiting agencies operating in Bangladesh. However, many of these registered recruitment agencies are believed to be inactive. These agents work under license from the MEWOE, and are expected to collect information on labor demand in the overseas job market, immigration processes, and working and living conditions, and identify job placement opportunities. The recruiting agents may receive information about vacancies and a demand letter for placement of the workers from the concerned foreign employer directly or via overseas recruiting agencies contracted by the overseas employer.

However, very few Bangladeshi recruiting agents have direct access to those markets. As a result, recruiting agents in Bangladesh have to rely on relationships with those overseas recruiting agents/brokers to secure demand letters or job offers. Bangladeshi recruiting agents operate largely through the recruiting agencies and sub-agents operating in the destination countries. These private agencies, on their own behalf, collect information on demand in overseas job markets and seek out orders for foreign employment.

In the case of Saudi recruitment for female domestic workers, recruiters tried a different approach given the tight time frame. Job fairs were held in 64 districts, for three days in each district. 100 recruiters were involved in this effort, with 3-4 recruiters present at each job fair. This approach proved to be

unsuccessful, though it is not known whether this was because of the approach or because the terms of employment were considered unsatisfactory.

Historically, private recruiting agents were governed by the Recruiting Agents Code of Conduct and License Rules of 2002. The Recruiting Agents Code of Conduct and License Rules 2002 set the following standards with which recruiting agents must conform: maintain regular office and signboard; maintain an information and consultation centre; recruit competent candidates for migration and recruit candidates from the databank of potential candidates; avoid competition for visas, work permits, etc among themselves; ensure that employers maintain the service terms during the service time; not demand any additional fees (except service charges) from migrants; and ensure the presence of selected workers at BMET briefing center for the pre-departure training. In order to maintain their license, a recruiting agent must have found employment abroad for a minimum of 300 migrant workers within the last five years (otherwise their license will expire and half of the security deposit will be forfeited).

However, the Recruiting Agents Code of Conduct did not historically provide a mechanism for classifying and scoring agencies. As such, there has been little information available to prospective migrants on where to find recruiters who adhere to the code of conduct and are known for being reliable. However, this was changed in the Labor Rules 2015, which established new procedures for registering and grading manpower agencies. However, this act has not yet begun to be implemented, and it is believed that BAIRA is not necessarily on board with implementation.

## **BAIRA**

Recruiting agencies have organized under the Bangladesh Association of International Recruiting Agencies (BAIRA). This association was formed in December 1984 with representatives of 23 recruiting agencies. By 2002, the association had a membership of around 700 agencies; today, it has approximately 1200 member agencies. These agencies are represented by 37 elected members on the BAIRA board which convenes member agencies on a monthly basis.

BAIRA works in collaboration with GoB and is one of the largest trade bodies affiliated with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). However, this relationship has been called into question on several occasions. IOM representatives have stated that BAIRA needs better dialogue with the government, such that it encourages the private sector while increasing and strengthening regulation. BAIRA has been accused of setting high legal recruitment fees, and failing to providing sufficient financial compensation to workers who lodged complaints or address illegal practices of its member agencies. In spite of all this, both BAIRA and GoB representatives spoke highly of the other party and it is difficult to judge the current state of the relationship.

## **Dalals**

Almost all private recruiting agencies are based in Dhaka, as it is not financially viable to have offices throughout the country. In fact until the Overseas Employment and Migrants Act of 2013 was passed by the Parliament in October 2013) recruiting agents could not legally open sub-offices at the district level. As such, private recruitment agencies work with local sub-agents, known colloquially as *dalals*, who find and refer prospective migrants from villages and areas far from city centers. Dalals perform two key

functions: the recruitment of workers and financial transactions. Recruitment at the grass-roots level is conducted verbally, with even payments made without a receipt.

Dalals are usually known within their communities, and consequently, potential migrants and their family members are able to access them more easily than the recruiting agents. 35% of Bangladeshi returnee migrants reported that the intermediaries they used lived in their own village and 33% said that they lived in another village in the same district. Only 0.25% of the respondents secured the help of intermediaries based in Dhaka. According to recruiting agents, people in rural areas are unwilling to place their trust in nonlocal organizations that prospective migrants will work with local sub-agents even if the subagents charge more than the recruiting agents (Afsar 2009).

There is a significant dearth of information on the prevalence and operations of dalals. The *dalal* system has not been institutionalized. The dalals (informal agents) are not formally registered with the recruiting agents they serve and do not possess any formal identification documents. Upon inquiry, BAIRA officials noted that while they do not interact with dalals directly, they had no knowledge of whether or not member recruiting agencies paid other agents to find workers. As dalals and illegal subagents are not registered under any government or private institutions, it is very difficult to estimate the total number of intermediaries operating in Bangladesh. However, a recent study (Siddiqui, 2011) estimated that about 10,000 intermediaries were operating in Bangladesh.

Migrants also tend to have very little information about the operations of their dalal. 69% said they were aware that the intermediary who was facilitating their cases was working for an agency, while 14% said their understanding was that the intermediary was working independently and another 12% said they did not know if they worked for an agency.

### **Informal Recruitment**

Approximately 55-60% of recruitment in Bangladesh is conducted through individual initiatives and social networks. The expense incurred by migrants through migration on their own is less than the expense incurred through the use of registered recruiting agents (Siddiqui 2005). But in most instances, migration on one's own with the assistance of relatives and friends is also dependent on the purchase of employment visas or bribes, which keeps the cost high, although not as high as it would be if fully dependent on illegal intermediaries or sub-agents and registered recruiting agents. The risk of fraudulent practices in obtaining a visa through friends is also considered to be less than the risk when passing through formal recruiting agents.

Because Bangladesh law requires all low to skilled workers (i.e., all non-professional workers) to migrate for overseas employment after registering with the BMET, discussions with workers suggest that those workers who obtained job contracts through individual contacts often approach recruiting agents to get their job contracts validated and to process them for migration. Recruiting agents charge a commission for this service.



## Employment Process

The recruitment and migration process from Bangladesh to receiving countries is a 16 step process, beginning with the registration of the recruiting agency and ending when the migrant worker departs for the destination country. This section of the report goes through the ideal recruitment process from start to finish, while identifying gaps and departures from the ideal process in the status quo.

### Step 1: Bangladeshi recruitment agency registers with BMET

The Recruiting Agents Code of 2002 established the procedure for approval and renewal of recruiting licenses. In order to apply for a license, a recruiting agent must submit the following documents to the Director General of BMET: the business plan, income tax returns for the last two years, a deposit of BDT 100,000, an agreement to recruit competent workers and acceptance of liability for recruitment activities; an organizational chart, office layout, list of employees, and information on training facilities. Once these documents are submitted, they are verified for approval by officials within BMET. This process is intended to take no more than 30 days, and on average takes 7-14 days. Once the documents are verified and submitted for approval to MEWOE, the recruiting agency submits a deposit license fee, security deposit, and savings certificate. Once these items are received the recruiting agency receives a one year recruiting license.

Once the license expires, the agency must apply for a renewal of its license. This application consists of a renewal fee and report on the previous year's activities. BMET officials then review the agency for misconduct, violation of rules and regulations, additional cost charges, or support of irregular migration. However, due to limited capacity in BMET, in reality these reviews are rarely performed in any meaningful way.

### Step 2: Needs identified and communicated to MPA

The recruitment process itself begins when an employer in the destination country advertises an open position. While Bangladeshi recruiting agents, working under a license from the MEWOE, are expected to collect information on labor demand in the overseas job market and identify job placement opportunities, these agencies rarely have direct access to the destination labor market. As such, they operate largely through the recruiting agencies and sub-agents operating in the destination countries. Agents in the destination country collect information such as vacancies posted by employers, and then send them on to recruiters in Bangladesh. These private actors then introduce the employer to the recruiting agency in Bangladesh.

The relationship between recruiters in both countries is being redesigned in the recent reopening of the Saudi corridor. The new agreement stipulates that each recruiting agency can work with only three recruiters in the other country. That is, each Bangladeshi recruiting agency can pair with three recruiters in Saudi Arabia, and each Saudi recruiting agency can pair with only three recruiters in Bangladesh. This creates some concerns for recruiters in Bangladesh when paired with the emergence of 10 main mega recruiting agencies in Saudi Arabia which will take up a significant portion of the market. This new stipulation implies that only 30 Bangladeshi recruiting agencies would be able to do business with the mega recruiters, which would significantly limit their access to the Saudi labor market.

### **Step 3: Approval of Employer's demand letter**

Once the employer in the destination country and the recruiting agency in Bangladesh have come to an agreement, the employer sends a demand letter in the name of the recruiting agency to the Bangladeshi embassy in the destination country. The embassy then conducts a visit to the employer to review the living and working conditions. If the conditions are acceptable, the embassy then verifies and approves the demand letter and sends it to the recruiting agency in Bangladesh via the agent in the destination country. However, in reality these site visits rarely occur, and demand letters are not verified in any way.

### **Step 4: Preparation and approval of Job Orders**

The recruiting agency in Bangladesh sends along the demand letter to MEWOE for approval. If the job order is for fewer than 100 workers, it is approved by BMET; if it for more than 100 workers it is approved by MEWOE.

### **Step 5: Issuance of "First Approval" by BMET**

Once the job orders are approved, the recruiter draws up draft versions of the advertisements and sends them to BMET for approval.

### **Step 6: Vacancies advertised and candidates shortlisted**

If the vacancy advertisement is approved, the recruiting agency is required to advertise in a minimum of two newspapers. Candidates who respond are then shortlisted and moved on to interviews. However, in reality most of the positions are never advertised. This step is the primary role of dalals, who select candidates based on personal connections and forward them on to the recruiting agency in Dhaka. This step may be skipped if recruiters go through the BMET database described in the following step to identify and contact qualified candidates; however, it appears that BOESL is the primary user of the database. In the recent reopening of the Saudi corridor, job vacancies are being more directly advertised by Saudi recruiters and Bangladeshi recruiters via job fairs in 64 districts across Bangladesh.

### **Step 7: Candidate interview and selection**

After meeting all the requirements of the BMET and MEWOE, recruiting agents are expected to recruit workers as per the skills requirements received from the employer or through the overseas recruiting agent. Currently, the MEWOE requires that a recruiting agent gives priority to those workers who are included in a database developed by the BMET and the DEMOs. This database has details of those workers who have expressed an interest in migrating for employment by filling in an online form.

The potential migrant may register their name and other particulars at any of the 42 District Employment and Manpower Offices (DEMOs) of the BMET or at the office of BAIRA. The application forms are available free of cost at the DEMOs and at branches of Sonali Bank. The forms can also be downloaded from the website of the BMET.

The occupations listed in the BMET database that appear to generate the greatest demand for Bangladeshi workers include carpentry, electric/electrical service, masonry, A/C and refrigerator repair service, painting, plumbing, driving, welding, steel/rod binding, tailoring, construction work, nursing,

engineering work, managerial service, supervisory service, caregiving, saloon work, cooking, agricultural work/farming, and service at hotels/restaurants.

The database does contain a mechanism for reporting skills and qualifications; however, there is currently no mechanism for verifying these skills. This decreases the credibility of the database and undermines its original purpose of reducing the role of the recruiter in the job placement process.

Each registered candidate is supplied with a registration ID card with a unique registration number. Registration is mandatory for all prospective overseas job seekers. Each job seeker can use this ID in future for any BMET services relating to overseas employment. The migrant worker computer database network was developed so that it could be accessed in/utilized by the following institutions:

- BMET main office;
- MEWOE;
- DEMOs;
- Sahajalal International Airport, Dhaka;
- Shah Amanat International Airport, Chittagong; and
- Osmani International Airport, Sylhet.

All of these institutions has an operator on hand to assist workers in inputting their information. Registration costs 50 taka. The database contains demographic and identification information, but does not include information on education, skills, or occupation.

However, registered candidates are rarely given priority. Candidates generally are selected based on their relationships with dalals and the entire registration process is sidestepped. Further, despite efforts to make registration more accessible via the DEMOs and operators on hand, it is often difficult for remote and illiterate workers (which compose the majority of the Bangladeshi expatriate workforce) to access registration. It has also been suggested that dalals set up shop around the registration kiosk and extract rent by charging more than the required 50 taka to help workers register in the database and promising them a job if they register through them.

#### **Step 8: Sign contract**

Once the candidate has been selected, a contract is signed between the employer and the Bangladeshi worker. However, in a 2013 Asia Foundation survey more than 61.3% of Bangladeshi migrants reported that no written documents had been provided to them explaining terms and conditions of their prospective jobs. In many cases where Bangladesh migrants were fortunate enough to receive a written contract, the migrants were not able to read the contract as it was not in their native language. Migrant workers are also often unable to interpret clauses, conditions, and loopholes in their contracts due to lack of relevant knowledge skills or an inability to interpret the complex language used. In the case of the Malaysia G2G, workers did have the chance to review their contract, but only after they had arrived in Malaysia, at which point it was of no real material benefit to them.

Even when they do have access to their contract, 21% of Bangladeshi migrant workers who already had employment contracts found that their work was not as stipulated in the contract, and about 46% were deprived of the remuneration specified in their employment contract. Contract switching such as this is of particular concern in the reopening of the Saudi corridor, as Bangladeshi recruiters are concerned that the wage being offered to Bangladeshi workers is too low to entice them to accept, but also feel pressure from the Saudis to increase their number of recruited workers. They report that this is creating pressure to misrepresent the terms and conditions of work in Saudi Arabia to entice more workers.

### **Step 9: Issue Passport**

The passport is issued by the Department of Immigration and Passports. In the case of the Malaysia G2G, workers had to go to MEWOE in Dhaka to obtain both their passport and smartcard, at which time their biometrics and physical data was also taken. However, this appears to have been a particular requirement of the Malaysia agreement. Because recruitment agencies in Bangladesh usually process a large number of passports at any given time and capacity is limited, this step often introduces long delays and hasty verification which fails catch falsification in clearances. There are also many cases where agents sign the forms on migrants' behalf placing them at risk at the destination when immigration officials find their signatures do not match the signature in the passport. In the current agreement with Saudi Arabia, passports are also being issued at the job fairs for domestic workers, which should speed up the process considerably, though care should be taken to ensure that this does not become an opportunity for rent extraction.

### **Step 10: Issue clearance**

Once the contract has been signed, the migrant must be issued clearance. Every selected worker has to be issued an electronic smart card and clearance to migrate after the worker has fulfilled the mandatory pre-migration requirements, which sometimes are customized to meet specific conditions put forth by a country of destination. In general, the requirements to be met before clearance can be given include a review of all contract and migration documents, a criminal background check, a health check, the opening of a bank account, fingerprinting and registration, and the reception of a smart card. Health testing is currently conducted in 9 government centers stationed around the country; however, for the reopening of the Saudi corridor, the Saudi government is funding 26 more centers to speed up the process of health clearance.

Many of these clearance checks are either foregone or more commonly are falsified by the recruitment agencies and dalals. Additionally, limited capacity in BMET often creates long delays in issuing clearances, which is particularly problematic because the potential migrant has already paid money, which is likely in short supply in their household (IOM 2010). As an answer to this, IOM offered training on document verification to BMET and MEWOE employees, though the impact of this has not yet been evaluated.

### **Step 11: Visa processing and Issuance**

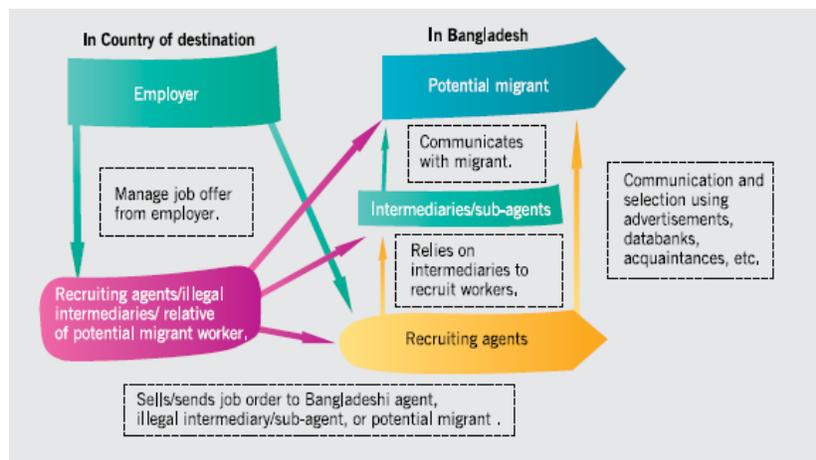
Once the passport is issued, it is sent to the destination country's embassy in Dhaka which issues a work visa after checking the documents. Bangladeshi migrants typically use two types of visas for migration to GCC countries. Iqama or individual employment visas rely on the sponsorship of a Saudi company or

citizenship. This allows the workers to work in a pre-assigned job but no other. A visa via the nominal sponsorship system or “free visa” system is far more expensive. This visa allows the holder to enter the country, but does not allow them to work. Those who find employment under this system are often required to pay a monthly sum to the nominal sponsor.

Recruitment processes differ based on if the migrant worker is going to the GCC on a group or individual visa. Under a group visa, the recruiter issues a work permit for a group of employees without specifying individuals; rather, a block Visa Advice is issued. The visas are then issued and the agency is enabled to recruit workers on the bases of a demand letter with a sample employment contract. Once the workers are selected, the recruitment agent applies to BMET for clearance, and the GCC embassy in Dhaka attests to the individual visa for each employee.

Under the individual visa, the visa is issued in the first step of the process after receiving a job offer. The GCC embassy then attests the employment contract, and the visa is stamped by the GCC embassy in Dhaka. Clearance is attained by BMET at this point. While the differences between these two processes are subtle, migrants often lack information or understanding of the differences which can lead to additional costs or undocumented status.

The buying and selling of visas has become a highly profitable business. A nexus of interest has developed among high-level state functionaries in the labor-receiving countries, their recruiting agents, a group of expatriate Bangladeshis and a section of Bangladeshi recruiting agents. As a result, it has become extremely difficult to secure a visa through what were formerly considered to be the regular channels.



In the case of migration to Saudi Arabia, recruiting agents or illegal sub-agents in Bangladesh manage to secure visas by purchasing them from sub-agents/ migrant workers in Saudi Arabia. These sub-agents in Saudi Arabia often are people who themselves arrived in that country as migrant workers. Having established themselves, they trade in visas and act as intermediaries as a secondary business. These sub-agents, acting in the manner of door-to-door sales agents, visit employers to identify vacancies and offer the services of the recruitment agencies for whom they may be working. In many cases, overseas

employers prefer to rely on recruiting agencies in their own country to share the legal liability of bringing a migrant worker into the country (Martin 2009).

These recruiting agencies then auction the visas or the demand letters among Bangladeshi recruiting agents. They buy visas from Saudi businesses/employers for between BDT42,600 to BDT127,800 (considering the currency conversion rate on 17 August 2013 of SAR1.00 = BDT21.30). They then sell these visas to potential migrants in Bangladesh directly or to illegal sub-agents and recruiting agents in Bangladesh. In this process, the illegal sub-agents in Saudi Arabia make a profit of about BDT10,650 to BDT42,600 per permit (Afsar 2009).

Recruiting agents and illegal sub-agents in Bangladesh have refused to disclose their total share in recruitment and migration cost. However, they admitted that intermediaries in Bangladesh tend to make a profit of about BDT30,000 to BDT50,000 per Saudi visa. One illegal sub-agent said that when determining the recruitment and migration charge for a migrant worker, illegal sub-agents consider following additional costs and risk factors: the processing fee of recruiting agents (about BDT7,500), bribes (e.g., for local police), and additional time-cost that they incur pursuing government officials for passport, visa, and migration clearance. The extent to which visas are traded through these channels has been made clear by statements from authorities in some destination countries. One Saudi minister has claimed that 70% of the visas issued by Saudi Arabia are traded on the black market.

Another significant, if somewhat lesser, concern in this stage of the process is delays created in waiting for visa approval from the receiving country. This has been of particular concern in the Malaysia G2G, where visas have been delayed for up to a year and a half. This places a significant burden on the migrant, as they have already paid money to process their clearances and obtain their passport and rely on the income from working abroad to cover these costs.

#### **Step 12: Issue travel ticket**

Once the visa is issued, the recruitment agency is charged with booking the ticket for the migrant worker at no charge, as the charge is covered by the employer. However, in reality the cost of the ticket is frequently borne by the worker, as can be seen in the cost section of this report.

#### **Step 13: Pre-departure training**

Through an executive order on 11 April 2008 MEWOE made pre-departure briefing mandatory for outgoing migrant workers. The issuance of emigration clearance was made contingent attendance of pre-departure orientation. Prospective migrant workers are required to participate in this module which teaches them about the rules and regulations that they are supposed to abide by in their respective destination countries. Officials of BMET and Ministries of Foreign Affairs and MEWOE conduct the BMET pre-departure trainings.

In 2012 out of almost 607,798 workers who went abroad only 18,000 (2.96%) attended the pre-departure briefing. As such, a majority of respondents did not have any form of pre-departure training or briefing prior to migration. Some recruiting agents avoid sending their workers to such briefings and trainings organized by the BMET, and instead pay bribes to obtain the certificates for prospective migrant workers.

However, BMET reports that an increasing percentage of migrants are availing themselves of the two-hour pre-departure briefing sessions financed by the Wage Earners' Welfare Fund.

Even for those migrants that do receive the training, orientations are also very short, at most lasting only a day, and in many cases are conducted just days before departure, which limits their effectiveness. For instance, the orientation delivered by BMET includes the showing of two videos: a 13-minute presentation on overseas employment procedures and a 15-minute presentation on vocational training. There are also only three country specific trainings, whereas BMET's goal is to make pre-departure training universal and to offer tailored training for all main receiving countries.

With specific regard to migration by women workers, this module also teaches prospective domestic workers how to perform the household tasks that they will be expected to do as part of their employment overseas.

#### **Step 14: Depart for Destination Country**

Once all of these steps have been completed, the worker departs for the destination country, where ideally they are met by a representative of their employer at the airport. At this point the recruitment process is complete, and the focus transitions to migrant welfare.

## IV. Fortifying Access

While many gains arise from sending workers overseas, any number of risks surround migrant well-being and social protection throughout the entire migration process. Workers in foreign labor markets often face asymmetries in terms of access to rights, protection, and information that increase their vulnerability. As such, a good labor-sending system should seek to balance mobility with protection by building institutions and tools that mitigate these risks. A key step to reduce risks associated with working in a foreign labor market is to provide information throughout the entire migration process, even prior to departure. Upon arrival in the host country, labor attachés become the first line of protection and risk mitigation for migrants. Finally, when risks are realized, ensuring that migrants have access to safe and expedient repatriation is critical to minimizing harm to migrants. Each of these systems should be strengthened to ensure continuous protection for migrants throughout the entire migrant experience.

In recent years, GoB has made notable efforts towards strengthening migrant welfare and protecting workers abroad. Protections have come in the form of a migrants' welfare fund, attaches in host countries, the establishment of a smart card and electronic passport system, and migrant resource centers. In addition, migrants have established associations among themselves. However, concerns regarding the protection and well-being of migrants remain. The primary concerns in terms of migrant welfare include abuse by employers, withholding of pay, lack of access to outside communication, lack of access to the embassy, lack of information being kept on the migrant, culture shock, and homesickness.

### Missions/Attaches

Currently 28 Bangladesh missions abroad are equipped with a labor wing to provide for migrant welfare and protection. As stated in the Seventh Five Year Plan, GoB has set its sights on opening 50 new labor wings in its embassies in order to strengthen welfare services of expatriates' and expand overseas market. These labor wings have the following tasks regarding labor migration: (a) exploring the potential labor markets; (b) attestation of documents pertaining to recruitment; (c) providing consular services for Bangladeshi workers; and (d) ensuring the welfare of migrant workers. The labor attaches also run safe houses for migrants in Riyadh, Dubai, and Lebanon, as well as providing legal aid services to migrants. In Jordan, Lebanon, and Dubai, the labor offices are also staffed with female workers who are better able to address the needs of female migrants working as domestic workers.

However, there seems to be a disconnect between Bangladeshi missions and overseas workers. Of 100 return migrants surveyed in a 2013 Asia Foundation report, only 13 had sought embassy assistance during their stay. Most of the labor migrants did not think of approaching the Bangladeshi missions for help when they faced problems. In general, many labor migrants did not know about the existence of Bangladeshi missions in their country of employment. Those who were aware did not have a clear idea about the role of missions in protecting workers' interests.

The problems that labor migrants took up with the mission were those of contract substitution, non-payment of salary and harassment by police. Another common problem regarded the issuance or renewal of passports. A number of interviewees said that when they reported loss of documents to the Bangladesh

mission, the staff of the mission did not acknowledge them as Bangladeshis. The general attitude of the embassy staff was to send aggrieved labor migrants back to Bangladesh rather than attempt to redress their grievances.

This accused dismissiveness is likely due in large part to limitations on the capacity of the embassy to provide solutions for migrants. The labor attaches face a large case load, but lack funding and manpower to address each case specifically. As government representatives, labor attaches also face significant constraints in their freedom to operate within the host country. They are given very little access to communication with or information regarding migrants after they arrive, and therefore often do not have the access they need to check on migrant welfare or address problems.<sup>6</sup>

Given the disconnect between workers and the embassy, migrants tend to contact their recruiter when they need assistance rather than the labor attaché. The recruiter then contacts the embassy; however, it appears that the burden of resolving the situation often falls to the recruiter, as it has greater access to the migrant and more resources to leverage with operators in the host country.<sup>7</sup>

Because it has such limited capacity, the embassy also does not offer standard services offered by labor attaches of other sending countries. For example, the Sri Lankan embassy picks up workers from airport to ensure their safe arrival. The employer then picks up the worker from the embassy and signs the contract under the supervision of the labor attaché's office. This gives the embassy more direct access to the worker immediately when they enter the country, which feeds into stronger access throughout their duration of stay in the host country.

### **Wage Earners' Welfare Fund**

In 1990, GoB created a fund for ensuring the welfare of wage earners. The Wage Earners' Welfare Fund is funded through subscriptions from migrant workers; the interest earned on the deposit of licenses of recruiting agencies; a surcharge of 10% on the fees collected through Bangladesh missions abroad; and individual and institutional contributions. The subscriptions paid by migrant workers constitute the bulk of the Fund. These comprise a fee of BDT 100 per person under a group visa, BDT 300 for an individual visa with the attestation of the Bangladesh missions in the country concerned and BDT 800 for an individual unattested visa. Further funds are generated from percentages of fees paid to Bangladeshi missions abroad, and on interests of bonds to recruiters. The fund is operated by the Wage Earners' Welfare Board, whose sole task is to run the fund.

The Fund was created with eight specific objectives: (a) the establishment of a hostel/briefing center; (b) the organization of an orientation and briefing program; (c) the establishment of a welfare desk at the airport; (d) the transfer of the bodies of deceased migrant workers; (e) providing assistance to sick, disabled and stranded migrant workers, (f) providing financial help to the families of deceased migrant workers; (g) providing legal assistance to the migrant workers through the embassies and (h) the

---

<sup>6</sup> Interview with MEWOE representative

<sup>7</sup> Interview with BAIRA representative.

establishment of a recreation club and information center under the auspices of the Bangladesh missions abroad.

In practice, the welfare fund largely covers repatriation of deceased migrants, burial funds, and stipends for their families. It also covers the welfare desks in the airports and pre-departure orientation. However, it does not cover many services covered by welfare funds in other countries, including: integration and reintegration assistance, medical and life insurance, or loans. Further is no other form of medical or life insurance available to migrants, as a scheme to provide this through BAIRA has not been successful.

Crucially, the fund also does not cover for return home in situations where the worker feels unsafe and is unable to return for their return home. This means that the responsibility falls either to the migrants themselves or their recruiters to fund their travel home. It is often impossible for the migrants to fund it themselves, and the recruiters are often unwilling to do so. Recruiters note that it is difficult to verify whether the worker is truly in danger, and are concerned that if they have a lenient policy regarding paying for travel home there would be significantly more cases of runaways.

### Smart Card

In February 2010, Bangladesh's government introduced the smart card, a tag with a small computer chip developed by BMET with assistance from the Bangladesh University of Engineering and Technology. The smart card contains all the information available in the migrant's passport, the migrant's fingerprints and the name and license number of the recruiting agency the migrant used so that authorities can identify all the parties involved in the migration process. When leaving Bangladesh, migrants with smart cards simply insert them in a card reader at the airport and their embarkation forms can be printed out. In cases where workers' passports may be seized and recourse difficult without proper documentation, the card contains enough information to get the support required despite the loss of original documents. By 2013, 1.7 million smart cards had been issued to migrant workers before their departure.

However, in 2011, the smart card readers at the airports stopped functioning properly and the airport's welfare desk reports that they have reverted to a manual system. They have since been reestablished; however, they continue to be used only at the airport. A senior official of BMET noted that migrant workers simply throw away the card after passing the airport because "it is not required anywhere else." At minimum, the use of the card should be expanded so that workers scan them again upon return to Bangladesh to facilitate the development of a return database.

### Private Protection Mechanisms

The International Organization for Migration helped establish migrant resource centers (MRCs) in 2007 in coordination with the relevant governmental authorities and the EU. Thirty five MRCs have since been set up to provide information to potential migrants on opportunities available abroad, the procedures related to migration as well as country specific information. The MRCs aim to reach a larger number of migrants through close coordination with a network of selected NGOs and other social partners and their

local structures. However, an IOM study found that they have very weak capacity, are not widely used, and also are not sensitive to gender specific issues.

Similarly, the International Labor Organization has established toll-free helplines in Dubai to increase contact with migrant workers while abroad. This service cannot be provided through the consulate, which is in practice allowed to have direct contact with migrant workers in many GCC countries.

In most of the labor-receiving countries, migrants have organized themselves into a wide range of different associations. Most of the associations are established by the Bangladeshi communities residing in a particular geographical location of a receiving country (state, district and city). Associations are also formed on the basis of the district, than a, union or village of origin of the migrants. In some cases, associations are also formed by different professional groups.

Associations organize cultural programs and observe the various national days of Bangladesh. They also provide various kinds of support services for the community members, such as finding suitable accommodation for newcomers and introducing them to markets that carry Bangladeshi food and other products. These services are also helpful in sharing of work experiences and in learning from each other about “do’s” and “don’ts” and the cultural sensitivities of the countries concerned. Similarly, the Bangladesh government has collaborated with a number of civil society groups to provide standardized training for domestic work.

## Cost

Bangladesh is widely known as having one of the highest costs of migration in the world. The average migrant worker spends BDT 309,259 on their recruitment and migration. In a 2013 survey done by the Asia Foundation, only 23 of the 75 persons interviewed paid less than BDT 100,000 (\$1220), and more than half of the respondents had to pay BDT 100,001 to 300,000 (\$1220 to \$3660). Six respondents had to pay BDT 300,000 to BDT 500,000 (\$3660 to \$6100).

**Table 3.6: Cost of recruitment and migration by gender**

Recruitment and migration cost <sup>5</sup> (in BDT)	Male (Per cent)	Female (Per cent)	All (Per cent)
70,480	2.9	13.2	3.1
70,481-140,960	9.2	44.1	9.8
140,961-281,920	33.4	23.5	33.3
281,921-422,880	42.3	9.3	41.8
422,881-563,840	6.7	2.5	6.6
563,840+	3.8	3.9	3.8
Cost borne by others	1.6	3.4	1.6
Total	100	100	100
Mean cost of recruitment and migration	311 301.27	188 272.83	309 259.16

Source: IOM, 2010, p. 39.

According to BMET regulations, the total cost of medical checkups, contributions to the Wage Earner’s Welfare Fund, visa fees, service charges, and orientation training should not exceed BDT 20,000 to the

worker. Clearly these placement fee caps are not always followed. Fees charged to migrants depend on many variables, such as the country of destination, the type of work and prospective salary.

**Table 3.4: Breakdown of cost structure for labour migration to the UAE, Oman, and Singapore (in BDT) as determined by the Government of Bangladesh**

Cost under major heads	UAE		Oman		Singapore	
	Female	Male	Female	Male	Female	Male
1 Application fee	180	180	180	180	180	180
2 Air ticket	30 000	30 000	28 000	28 000	30 300	30 300
3 Medical test	5 500	5 500	5 500	5 500	3 000	3 000
4 Service charge	8 000	8 000	8 000	8 000	12 000	12 000
5 Insurance	1 000	1 000	1 000	1 000	-	-
<b>Total cost</b>	<b>44 680</b>	<b>44 680</b>	<b>42 680</b>	<b>42 680</b>	<b>45 480</b>	<b>45 480</b>

Source: Key informant interview with BMET officials.

78% of recruitment and migration cost, on average, is charged by intermediaries (IOM 2010). Other estimates go as high as approximately 88% of migration costs believed to be coming from dalals. These costs place a large burden on migrant, particularly after the additional cost of financing. About 67% of migrant workers secure funds to pay for recruitment and migration by taking out loans. A considerable portion of migrant workers also finance the cost of migration by selling land (24%), mortgaging land (23%) and/or selling assets such as jewelry, cattle, trees, or homes (20%) (IOM, 2010). Some 54.7% of Bangladeshi returnees reported that they had repaid their loans in 18 months or less.

Source	Percent
<b>Self</b>	45
<b>Selling Land and Property</b>	14
<b>Family Members</b>	12
<b>Relatives</b>	10
<b>Neighbor/Friends</b>	10
<b>Partial Loan</b>	5
<b>NGO/Financial Institution</b>	4

With a view to reducing the cost of migration, the Government has established “Expatriates Welfare Bank’ (*Probashi Kallyan Bank*) for giving loans with simple interest to the aspirant workers going abroad and providing financial assistance to the returnee migrants to invest in productive activities. PKB has significant limitations in that because it was created as a welfare bank it cannot profit from remittances sent by workers. This creates a significant constraint to its ability to scale up and offer larger loans to migrants or return migrants.

In the reopening of the Saudi corridor, the agreement is that female migrants will pay no recruitment cost. The only cost to be borne by the worker is that of her passport; however, close observation suggests that this agreement is already being violated and that female workers are indeed being charged a recruitment fee.



## V. Furthering Access

Raising the level or visibility of workers' skills can improve their employment opportunities and promote their deployment to work abroad. Increasing skills requires close coordination and cooperation between employers in the host country and training institutions in the source country. Successful training schemes require thorough screening and skills verification of graduates of training programs to overcome both training gaps and information asymmetries between different stakeholders across borders. Further, the limited transferability of skill certifications across borders as a result of misaligned certification systems can lead to suboptimal recognition and utilization of migrants' skills. By increasing employers' access to information about migrants' skills, a successful transnational skill development and recognition system could help address this inefficiency and enhance labor market resource allocation.

BMET has taken up programs for facilitating export of skilled manpower through providing training to the workers in 53 Technical Training Centers (TTC) (14 of which were set up through IOM) in various trades. The first TTCs were established in 1943. These training centers target both local as well as international employment. However, the international trainings are currently not aligned with standards and demand in labor receiving countries. The Skills Development Policy has identified the need to conduct needs assessments to ensure that technical and vocational training courses correspond better to the skills demand in the national and international labor markets.

BMET is the main provider of short trainings (2-3 weeks) in the country; however, it does so in cooperation with the Ministry of Education, the National Skill Development Council, and several other ministries. Both BAIRA and BMET have requested more funding for increased supply of training in order to increase the skill levels of out migrants, in keeping with the National Skills Development Policy, which aims to increase skilled migrants as a percentage of total migrants from 35% to 50%. However, increasing the supply of training may be premature as currently classes are not full and there does not appear to be excess demand for the courses.

The lack of demand is likely affected by the fact that the certifications from the TTCs do little to affect employment opportunities or wages. IOM developed the current curriculum used in the TTCs; however, the quality of the training provided in the TTCs is considered highly questionable. Certifications received from these training courses are both not competency based and not widely accepted or recognized in foreign labor markets.

Training courses vary in length by occupation and training intensity. For domestic workers, the training is generally 30 days long; however, in an effort to speed up the process, the Saudi government is limiting training to 10 days.<sup>8</sup> Bangladeshi officials are concerned that this will be too short and will leave Bangladeshi workers unprepared for both the work in Saudi and any challenges they may face. However, this concern may be somewhat alleviated by the fact that training is also being offered by mega recruiters after the workers arrive in Saudi Arabia.

---

<sup>8</sup> Interview with BAIRA representatives. Vethe

According to RMMRU, there is tension in administrating the TTCs as two separate ministries, Ministry of Labor and MEWOE, run these training centers under the supervision of BMET. The Bangladesh Technical Board of Education is responsible for coordinating the training between ministries; however, BTEB lacks capacity to perform this function fully. Further, most TTCs face budget deficits and are underequipped to provide proper training that is up to international standards. This also means they do not have the funds to offer capacity building to their TTC in order to meet international training standards.

As noted in the Sixth and Seventh Five Year Plans, MEWOE has already taken significant steps towards upskilling Bangladeshi migrants. Under the Sixth Five Year Plan, several new TTCs and Martine Technology Institutes were added. Due to these new initiatives the number of total trainees given skill and technical training has increased from 59554 in 2010 to 115000 in 2014, with this number estimated to increase to 150,000 post-2015. Under the Seventh Five Year Plan, notable new initiatives include adding more TTCs at the upazila level as well as significant capacity building for trainings via a permanent training institute for training the trainers.

## VI. Possible Areas for Attention – recommendations for policy reform and institutional strengthening

We have identified three key areas where policies and institutions could be strengthened:

1. **Improving recruitment processes** to reduce rent seeking and perverse incentives among recruiters
2. **Balancing mobility with protection** to reduce the vulnerability of workers while in destination countries
3. **Upskilling labor supply and diversifying foreign labor markets** to increase the value of Bangladesh's migration corridors.

### Area 1 – Improving Recruitment Processes

One of the key concerns in the Bangladesh migration management system as identified in this review is rent-seeking and perverse incentives within the recruitment system. Rent-seeking exists in many forms, including charging migrants for additional services, document fraud to cut cost on clearances and extract bribes from migrants, overstating migrant qualifications to extract higher fees, and the additional rents extracted by the perpetuation of the dalal system. Two interventions can be explored to address rent-seeking in the recruitment process:

- a. *E-Musaned portal assessment* – The Kingdom of Saudi Arabia had launched an online recruitment portal via its Ministry of Labor with the intention of introducing transparency into the recruitment process, thereby reducing the potential for rent extraction. Bangladesh was the first labor market in which the portal was launched, and as such has significant potential to improve access to the Saudi labor market for Bangladeshi workers. However, for the portal to accomplish its goals, it must be aligned with institutions governing recruitment on the Bangladeshi side. Towards this end, an assessment should be conducted to see where the gaps are in alignment of these two systems and how they can be brought together to increase transparency and reduce rent seeking in the Bangladesh-Saudi recruitment process. Similar technological tools could also be assessed or piloted in other corridors.
- b. *Designing incentive systems to improve recruitment outcomes* – Despite several laudable attempts on the part of GoB, perverse incentives still exist within the recruitment system that both increase the costs for migrants and lead to adverse employment outcomes. A first step in addressing these perverse incentives is to conduct a political economy analysis of what allows these systems to persist in the face of efforts to eliminate them. This analysis can inform future interventions addressing regulation of the recruitment industry.

### Area 2 – Balancing Mobility with Protection

While access to foreign labor markets is a key avenue to improved livelihoods for Bangladeshi workers, this needs to be complemented with proper protection and assurance of wellbeing while in foreign labor markets. This is particularly true for female workers, who constitute a rapidly increasing portion of the Bangladeshi workforce abroad.

- a. *Improving support services abroad* - Labor attaches currently lack capacity to perform even the base-line functions included in its existing mandate, such as site visits to check conditions in the potential foreign employer. Its mandate is also more limited than best practice as identified from other labor sending countries, such as reception of arriving migrants at the airport. A complete best practice analysis of consular services should be conducted and applied to Bangladeshi consulates. This can include peer-to-peer learning and site visits to the consulates of nations such as Sri Lanka and the Philippines who face similar challenges in sending workers to the GCC.
- b. *Enhancing smartcard system* – One of the key problems undermining capacity on the part of the embassy is lack of access to information about migrants. The smart card system implemented by GoB, despite some technical difficulties, has been widely lauded as a highly innovative approach to increasing formality and protection in recruitment processes. However, its potential has been underexploited currently as it is only being used for processing at the airport and is often discarded by migrants after. Expanding use to the labor wings of embassies, as well as any migrant resource centers, would create opportunities to use the smart card as the basis for a comprehensive database on Bangladeshi expatriates. In addition to serving as a backup passport, it could incorporate information on employer, salary, recruiting agency, and health which would allow the embassies to provide much more comprehensive services to its expatriate constituency while significantly improving documentation and record keeping on recruitment and migration systems. This information would create an opening for the embassy to have significantly increased access to the migrants themselves, thereby increasing capacity to provide services as needed.
- c. *Repatriation insurance scheme* – Ensured access to repatriation in case of emergency or abuse is fundamental to migrant wellbeing. Many workers currently remain in dangerous situations because recruiters decline to pay for their return home, and they do not have the funds to finance their own return. Securing funds prior to migration would provide a safety net in the event that repatriation becomes necessary. These funds could be secured from the employer and applied to the final month of the worker’s pay in the event that the worker completed their contract, or from the recruiter and returned at the end of the contract. This scheme would need to be paired with other institutions that allow for repatriation, including access to the embassy and the ability to physically leave their place of employment, but would overcome the largest existing hurdle to emergency repatriation.

### **Area 3 – Upskilling of Labor and Diversification of Labor Markets**

Despite increasing investment in migrant training via increasing the number of technical training centers, out migration from Bangladesh remains at the low end of the skill distribution. Two key barriers to upskilling Bangladeshi migration are first that the skills taught in TTCs are not matched with employer demand, and second that the training from TTCs is believed to be low quality and therefore is not considered a strong signal of skill for employers abroad. Further, overreliance on a few key foreign labor markets leaves Bangladeshi workers vulnerable to market fluctuations in recipient countries, which limits the potential for migration to increase incomes. To address these barriers, the following interventions should be considered:

- a. *Labor Market Information Survey* - To identify which skills are demanded by foreign employers, GoB can develop a labor market information system which surveys foreign employers in order to develop projections of skill requirements. This will allow them to target training to meet the projected demand, which will provide a key advantage in competing against other labor sending countries.
- b. *Transnational certification pilot* – To achieve the goal as stated in the Sixth Five Year Plan to increase skilled migrants to 50% of the total migrant population, GoB will need to focus first on increased visibility of Bangladeshi worker skills in the international labor market. To do this, it will need a way to signal skills across borders, which requires some form of transnational certification scheme. Currently, the certifications from the TTCs are not widely accepted or regarded as a strong signal of skill. In order to develop a transnational certification system, GoB will need to work with employers in receiving countries to incorporate their requirements into how workers are tested and certified. This can then be built into the curriculum of the TTCs.
- c. *Assessment of existing agreements* – To further diversify access to foreign labor markets, Bangladesh should assess its existing MOUs and BLAs to identify their strengths and weaknesses. It can use this assessment to both increase effectiveness of existing agreements and strengthen its position in the negotiation of future agreements. In particular it should look to the Malaysia G2G, which in spite of strong demand from Malaysian employers has not been able to send as many workers as initially anticipated. Assessing the entire process from initial negotiation through to final implementation, as well as comparing it to best practice, can inform the design of future agreements to achieve stronger results.

### **Prioritization of Interventions and Next Steps**

Given that these interventions cannot all be implemented simultaneously, it is crucial to identify the quick wins and highest priorities for improving Bangladesh's migration management system. Using combined criteria of urgency and impact, we separate the interventions into three stages.

#### ***Short Term Interventions (Quick Wins)***

Given the recent reopening of the Saudi corridor, and its focus on female migration, interventions related to these matters have the potential for the greatest immediate gain. As such, the highest priority interventions should be:

- a. *Repatriation insurance scheme*
- b. *Improving support services abroad*
- c. *Recruitment portal assessment ( or similar technological tools for recruitment)*

#### ***Medium Term Interventions***

Medium term interventions are those which lay the groundwork for improving migration management systems, but do not require significant overhaul of any existing institutions. These interventions could be completed over the course of 2-5 years, as GoB sees fit, and include:

- a. *Enhancing smartcard system*
- b. *Labor Market Information Survey*

- c. *Assessment of existing agreements*

#### ***Long Term Interventions***

Long term interventions are those which will require significant work to align systems across borders and may also require more groundwork in terms of building political capital. These interventions may require several stages and significant advance planning for proper implementation.

- a. *Transnational certification pilot*
- b. *Designing incentive systems to improve recruitment outcomes*