

Short-term Migrant Labourers in Bangladesh: The Pandemic & Beyond



BANGLADESH @ 50



Bangladesh relies heavily on remittances from migrant workers, who face difficult and sometimes abusive working conditions. The COVID-19 pandemic has reduced their opportunities. Chowdhury Dilruba Shoma argues that initiatives by the government, NGOs and financial institutions can counter exploitation, prevent violence against workers (especially women) and maintain this source of income vital to countries like Bangladesh.

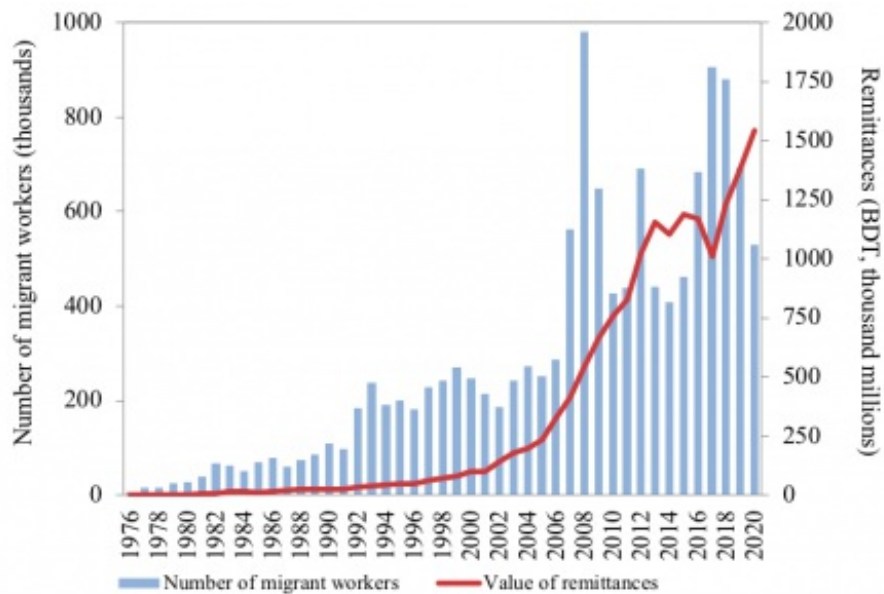
Developing countries benefit from globalisation through the money [remitted home by migrant workers](#). In Bangladesh, remittances are the [second-largest source of foreign currency](#) income after exports, including goods and services. From the mid-1970s to 2020, more than 13 million professional, skilled, semi-skilled and less-skilled Bangladeshi migrant workers went to more than [140 countries](#): workers in the first two groups usually go as permanent migrants. Unskilled and semi-skilled workers go as temporary migrants, most often to Middle Eastern and North African countries. Temporary migrant workers account for [73.7% of Bangladesh's total migrants](#).

Benefits from Migrant Workers

All data shows that Bangladesh has benefitted greatly from this outward migration of Bangladeshis. I mention four important points here: firstly, migration increases the country's income; Bangladesh is the [eighth-largest remittance recipient state](#) in the world. Data from Bangladesh Bank estimates that during the fiscal years (FY) 1982–2020 migrant remittances contributed on average 29% of the foreign currency that came into Bangladesh — the single largest share ([Monthly Economic Trends, various issues](#)) from amongst all sources of foreign remittances. Movement within Bangladesh helps redistribute wealth: for example, rural workers who move to urban areas [earn more](#) and [send money back](#) to rural households.

Between FY1976–2020, foreign remittances increased from Bangladesh Taka (BDT) 246 million to BDT 1,543,531 million, and migrant worker numbers increased from 6,087 to 530,578 ([Monthly Economic Trends, December 2020](#)), though with some fluctuations (Figure 1).

Figure 1: [Bangladeshi Workers' Remittances, FY1976–2020](#)

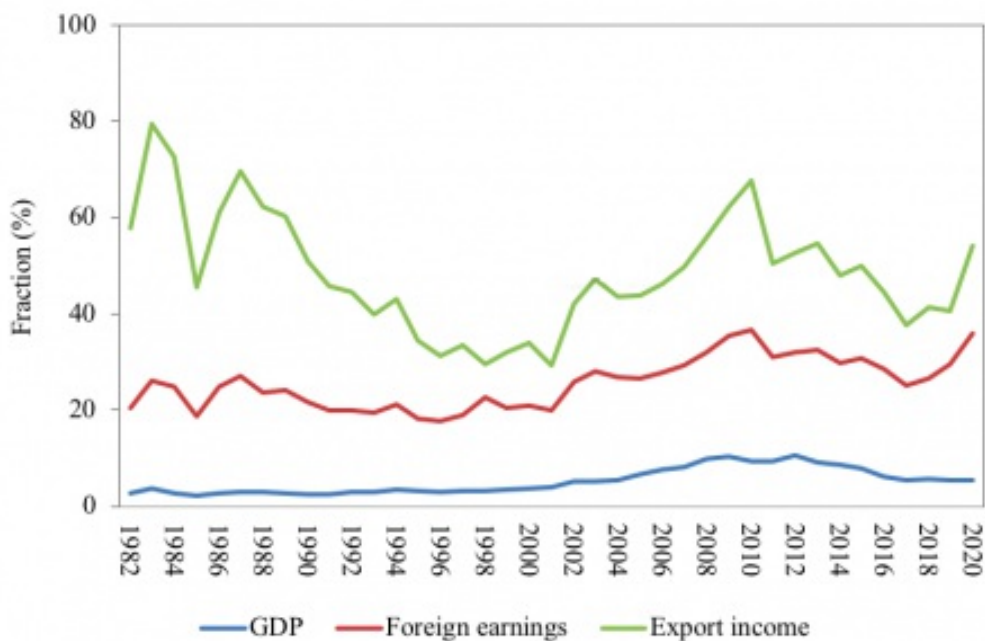


Source: [Economic Data – Bangladesh Bank](#) ; [Monthly Economic Trends, various issues](#); [Bureau of Manpower, Employment and Training](#)

[Factors behind the fluctuations include](#) competition with newly emerging labour-providing countries like [Nepal, Cambodia and Vietnam](#), the global financial crisis, and turmoil in the Gulf. From FY1988–2020, Saudi Arabia received [32.04%](#) of Bangladeshi migrants, and was the single largest source of remittances to Bangladesh (over BDT 3,998 billion, or [25.27 % of all remittances](#)). Most remittances were earned by short-term migrant workers.

In 2012 alone, Bangladesh earned more than BDT 1,018 billion in foreign remittances, which is about 10.6% of the GDP and more than half the total foreign earnings of the country (Figure 2). Similarly, from FY1995–2008, income from remittances grew [twice as fast](#) as that from international aid. In fact, [migrant's remittances are now several times more](#) than foreign aid. Clearly then, migration and remittances can and do play important roles in reducing Bangladesh's dependency on donors.

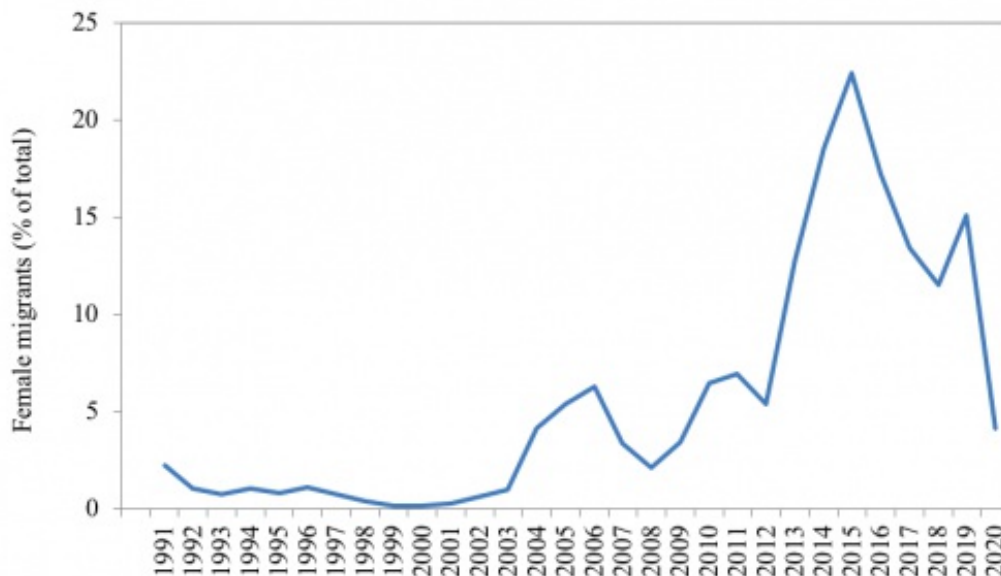
Figure 2: Remittances as a Percentage of GDP, of export income and of foreign earnings, FY 1982–2020



Source: [World Development Indicator](#); [Monthly Economic Trends](#), various issues.

Formal employment of female Bangladeshi migrant workers began in 1991. From 1991 to December 2020 ([up to December](#)), 924,415 female workers migrated, and the percentage of women migrants generally increased. Over the same period, female migrants were 7.52% of total Bangladeshi migrant labourers. Since 2015, the number of female migrant workers has declined, though it remains significant (Figure 3). Many women travel to the Gulf nations for work, often as domestic helpers.

Figure 3: Female Migrants as a Percentage of Total Migrants from Bangladesh, 1991–2020



Source: [Statistics Department, Bangladesh Bank](#); [Bureau of Manpower, Employment and Training](#)

The second benefit of migration is that it ensures consumption stability in Bangladesh; recipient households [use 66% of remittances for consumption](#). Remittances also contribute to land purchases, agricultural production, housing construction and repair, educational expansion, health expenditure and loan repayments. Households that receive remittances can obtain better [education and health care](#).

Third, since the 1990s, migrant workers sending remittances have contributed to poverty alleviation in Bangladesh. For example, during FY2000–5, remittances reduced the poverty rate [by 1.7%](#) (although [some critics](#) argue that remittances do not flow to the poorest households directly because of the exorbitant cost of migration). [Others](#) found that remittances increased migrants' household income by 55%, and so [increased families' living standards](#). However, remittances can create a dependency syndrome in recipient households. This, and rural workers quitting the land to become short-term migrant workers, [may inhibit rural development](#). But conversely, when workers migrate, they open up employment opportunities in the home country. Recent research estimates that migration employed [9%](#) of the economically active total population of Bangladesh.

The fourth benefit of remittances is the provision of capital to expand productivity. In Bangladesh, [remittances](#) are invested in the formal financial system, providing capital for loans, and then aiding economic growth. Remittances increase Bangladesh's [foreign exchange reserves](#), help finance imports and [reduce the current account deficit](#), mitigating balance-of-payments pressures. As of December 2020, remittances have reached a new high, as have foreign exchange reserves ([US\\$43.17 billion](#), compared with the previous highest record of [US\\$33.41 billion](#) in FY2017).

These four points suggest that migration should be encouraged because it improves socio-economic development in Bangladesh. Indeed, in 2006, the World Bank found a positive relationship between remittances and socio-economic development in Bangladesh: [‘remittances have been causing a silent economic revolution in Bangladesh’](#).

Issues that have Damaged the Reputation of Migration in Bangladesh

Globally, low-skilled workers are the most [unprotected and exploited](#) labour force. Despite the [1990 convention on the protection of the rights of migrant workers and their families](#) (ratified by most nations, including Bangladesh), many low-skilled migrant workers face [harsh conditions](#), including unfair pay practices, exploitative employment, violent behaviour, physical abuse, illogical extradition and restrictions on their mobility. Further, a remarkable proportion of Bangladeshi migrant workers become ‘unauthorised’/‘illegal’ because of administrative failures in Bangladesh and destination countries. Female migrant workers suffer torture, sexual exploitation and human trafficking, and [some are denied basic rights](#) while residing abroad. The Ministry of Expatriates' Welfare and Overseas Employment reported that 1,250 female migrant workers returned to Bangladesh from Saudi Arabia in 2019. Of these, 35% had been victims of physical torture, sexual abuse and/or slave-like living and working conditions, while 43% were cheated of due wages. According to the Bangladesh Rural Advancement Committee Report, between 2015 and the middle of 2018, nearly 5,000 female workers returned home because of [horrifying experiences](#) at the hands of Saudi employers.

Low-skilled, short-term migrant labourers account for the largest fraction of remittances sent back to Bangladesh. Female Bangladeshi migrant workers who work in the Middle East send on average [77% of their income](#) home. If migrant work becomes unattractive (for example, because of abuses) or impossible (because of travel restrictions), the whole economy suffers.

Covid-19 Pandemic's Impact on Remittances

The coronavirus (COVID-19) pandemic has become a big brake on the global labour market, and has had a dramatic impact on deportation of migrant workers. [Many Bangladeshi](#) migrants [face deportation](#), and are already [jobless](#). From January to middle of March 2020, more than [666,000](#) migrant workers returned to Bangladesh, whilst from January to August 2020, only [181,000 workers](#) migrated overseas, compared to 441,000 during the same period in 2019. On 23 April 2020, [BRAC](#) projected a 22% reduction of remittances in 2020 compared with 2019. Total remittances [dropped](#) by around 30.6% from January to April 2020 (US\$1,638.43 million to US\$1,092.96 million), but from [May 2020](#) the situation has improved. The government's allocation of 2% stimulus packages, the simplification of sending of remittances using formal channels, and policies that are more supportive of remittances have encouraged migrant workers to use legal remittance transfer channels and [have increased remittance inflows](#) again. As the pandemic continues, the deportation of migrant workers is continuing and accelerating. In coming months, more migrants will return home, and before they do, out of fear of [losing jobs](#), they are sending [more remittances](#) to aid their family members. In December 2020, remittance inflow increased by [21.22%](#) (US\$2,051 million, compared to US\$1,692 million in December 2019). That our migrant workers can provide such record remittances when the country is facing a tough fight against COVID-19 is a source of great hope for Bangladesh.

In coming years, COVID-19 will have an longer-term detrimental impact on migrant workers' earnings and employment. The flow of remittances will [fluctuate](#) and most likely fall, and may help cause an economic slowdown in Bangladesh. According to the Refugee and Migratory Movements Research Unit, remittances are crucial to meeting the daily expenses of [60%](#) of migrant households. In fact, a fall in remittances makes it hard for them to pay for [food and nutrition, health facilities and educational expenses](#). UNDP Bangladesh estimates that Bangladesh's already high poverty rate will climb from [20.5 % to 44%](#). All aspects of the country's development — financial, humanitarian and social — will be hampered.

Steps to Assist Migrant Workers

The government of Bangladesh, NGOs and financial institutions have recognised the need to support migrant workers and their families' through this difficult time, but many challenges remain. In the short term, to help returning migrant labourers start small businesses, the Bangladesh government has launched two loan/investment scheme facilities of [BDT5,000 million](#) and [BDT2,000 million](#) at 4% interest rate through the Probashi Kallyan Bank (PKB) (Expatriates Welfare Bank) of Bangladesh. This may help returnee migrants become self-employed, improving local market revenue generation and capacity development at the community level. Nonetheless, as of 9 December 2020, PKB had disbursed a total loan of [BDT76.3 million to only 384 migrants](#). PKB could be more proactive in providing financial assistance; for example, NGOs can be involved in credit-wholesaling to provide funds in rural areas.

Little can be done about coronavirus-related travel restrictions, but, in the post-COVID world, migration will resume. Therefore, issues around migrant workers' rights can be tackled. To make Gulf countries more rights-respecting, international labour rights groups and activists have long demanded the [abolishment](#) of the sponsorship system ([Kafala](#)) that limits migrant workers' rights. Stakeholders such as the Government of Bangladesh, civil society, media and NGOs should form a coalition to draw attention to the need to protect *all* Bangladeshi migrant workers in the Gulf. To promote safe labour migration, especially for women, the group must keep up the pressure to implement [Bilateral Labour Agreements, a gender-sensitive legal framework under the CEDAW convention, and Memoranda of Understanding](#) for abolishing *Kafala* in the Gulf countries. At the same time, Bangladeshi embassies must provide support networks to the migrant workers, and proactively monitor the rights-based policies and programs that are to be enforced. They should be in constant touch with the countries that recruit workers from Bangladesh.

The World Health Organisation estimated a global demand for 80 million health workers, resulting in a [15 million net shortage](#) of workers by 2030. [Under the global skills partnership](#) framework, the government could search for new job markets for workers like doctors, nurses and laboratory technicians, while appropriate training should be given to workers who can aid the health sectors of many countries in the post-COVID-19 world.

This blogpost is dedicated to the author's beloved mother Rabeya Sultana, a former school teacher and cultural worker who died of severe ARDS due to COVID-19 on 7 April 2021.

This article gives the views of the author, and not the position of the South Asia @ LSE blog, nor the London School of Economics and Political Science.

Banner image: Mohammad Samir, Dhaka, [Unsplash](#).