

Manpower Export in Bangladesh: Problems and Prospects

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1. Introduction:

Migration is a significant feature of globalization. During the decade international migration of labor has increased tremendously. It has become important source of employment and plays a vital role in reducing poverty in Bangladesh. Labor migration has become an important factor for Bangladesh in respect of employment generation, GDP growth, poverty reduction. Manpower export has been increasing since 1976 except a few years. Number of migrant workers was 6087 in 1976 but at present it stands at 8.7 million and the flow of total remittances to Bangladesh stands at US \$ 16566 million in 2013 (BMET-2013).

Remittances have now become a largest single source of foreign exchange earnings in Bangladesh. It is 11.14 percent of GDP and 53.5 percent of total export earnings of the country (Table-5) Remittance contributes towards increasing the income of the remittance receiving households and the standard of living. It increases investment in human capital, household consumption and also stimulates the savings and investment. At the household level remittances are used for meeting basic needs and other family expenses. Remittances have both direct and indirect impacts on micro and macro level economics. It not only benefited the remittance receiving families but also contributes to the growth of output and national income. It helps to support payment of imported capital goods and raw materials for industries. The direct contributions of remittances to national income have grown rapidly in the past decade. Remittances have contributed to increase foreign exchange reserve of Bangladesh. Now foreign exchange reserve of Bangladesh is over US \$ 21 billion which is more than 7 times higher than the foreign exchange

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reserve of the year 2005. (Ahmed-2014) We have a large unemployed labor force. In 2010 unemployment was 2.6 million and at present it stands at more than 3 million. And more than 10 million including unpaid family helpers (Ahmed-2014) Unemployment is a chronic problem in Bangladesh and it is possible to solve this problem to a great extent by exporting manpower. Manpower export is an instrument for increasing foreign exchange earnings and thereby increasing the national income and growth. Remittance has become a dominant variable for economic development of Bangladesh. Recognizing the importance of remittance and migration, the policy makers and the researchers become more attentive to this particular issue. So, we have selected such a topic of national importance for study.

2. Objective of the Study:

- (i) To analyze the overall impact of Bangladeshi migrants remittances on the economy of Bangladesh.
- (ii) To assess the volume of remittances inflow to Bangladesh.
- (iii) To analyze the trend of migration and remittance.
- (iv) To focus on the prevailing problems and future prospects for increasing manpower exports from Bangladesh.

3. Methodology of the Study:

The secondary data had been collected from Bangladesh Bureau of Statistics, Ministry of Finance, Ministry of Labor and Employment, Ministry of Expatriate Welfare and Overseas Employment, Bureau of Manpower, Employment and Training, IOM, BIDS and Bangladesh Bank.

4. Volume of remittances inflow in Bangladesh since 2000

Globalization makes international migration easy and gets motion. Most of the migrants are labors. Due to unemployment problem and poverty migration of labor is increasing tremendously throughout the world. An estimated 200 million of the World's people live outside their country of birth (Soddiqi 2012). From 2000 to 2010 worldwide flow of remittances increased more than three times. It was US \$ 135 billion in 2000 and stood at

US \$ 449 billion in 2011 (World Bank 2012). Bangladesh is one of the largest manpower exporting countries in the world. She is the 8th largest remittance receiving country and 2nd largest remittance receiving country among the SARC countries (SUR-2013). The contribution of Bangladesh to the world remittance flows was 1.45 percent in 2000 & it stands at 2.5 percent in 2011.

Remittance is the largest single source of external inflows for Bangladesh. Remittances inflows to Bangladesh have increased nearly 6 times in the last decade from US \$ 1082 million in the fiscal year 2000 to around US \$ 11650 million in 2011 (Table -1)

Table -1: Composition of External inflows (US \$ Million)

FY	Remittance	Grants	FDI and Portfolio Investment	ODA	Total	Share of Remittance*	Remittance GDP Ratio (%)
FY 01	1882	373	169	543	2967	63.4	4.0
FY 02	2501	479	385	298	3663	68.3	5.2
FY 03	3062	510	378	466	4416	69.3	5.9
FY 04	3369	257	282	147	4055	83.0	6.0
FY 05	3848	200	800	491	5339	72.0	6.4
FY 06	4802	500	775	535	6612	72.6	7.8
FY 07	5979	587	899	512	7977	72.6	8.7
FY 08	7915	703	795	758	10171	46.3	9.9
FY 09	9687	523	802	563	11577	83.7	10.8
FY 10	10987	564	519	914	12984	86.6	11.0
FY 11	11650	727	741	312	13429	86.7	10.5

Source: Bangladesh Bank (WB – 2012)

*Share of remittance calculated by the researchers

Remittance had been larger than average annual medium and long term official loans in the past decade. Migrants' remittances were 5 and half times larger than the total medium and long term capital flows received by Bangladesh in 2011 (WB- 2012) . Remittance share to total external inflows was 63.40 percent in 2001 which increased to 86.7 percent in 2011 (Table -1). The volume of remittance inflow in Bangladesh in 2011- 2012 stood

at US \$ 12,843 million and further increased and stood at US \$ 14,461 million in 2012-2013 (BER 2014).

5. Economic Impacts of Remittances on Bangladesh Economy

In Bangladesh, remittance has become one of the most important economic factor in the recent years. Remittances are spent for consumption and house building, and purchase of landed properties and various investment activities, such as business, industry, stock share, bonds, certificates and education etc. These activities produce various direct and indirect growth effects on the economy. These consumption expenditure and investment expenditure creates multiplier and acceleration effects on the economy. Remittance inflow to home country play significant role in reducing poverty in various ways and improve the standard of living of the poor. It contributes to economic growth and development of the country. Remittances have both micro and macro level impact. It is a source of income for migrant workers' households and livelihood. Remittance plays significant roles for remitter's family and for the economy of Bangladesh.

6. Macro economic impacts of Remittance

Remittance is increasing year after year and has become second largest sector of foreign exchange earnings next to RMG sector. It has created a new dimension in the economic development of Bangladesh. It reduces unemployment and poverty. It helps in balancing balance of payment, increasing foreign exchange reserves, enhancing national savings and investment and increasing velocity of money.

The most important macro economic impact of remittance is on the balance of payment and through that on the economy as a whole. Most of the years Bangladesh economy suffers from shortage of foreign exchange. Foreign exchange earnings through remittances are used for importing of capital goods and machineries.

Table 2: impact of Remittance on balance of payment

(in US \$ billion)

Year	Remittance	Import	Export	Trade balance
2002-2003	3.06	9.66	6.55	3.11

2003-2004	3.37	10.85	7.6	3.25
2004-2005	3.85	1318	8.65	4.52
2005-2006	4.80	14.75	10.53	4.22
2006-2007	5.98	17.16	12.18	4.98
2007-2008	7.92	21.63	14.11	7.52
2008-2009	9.69	22.51	15.57	6.94
2009-2010	10.97	23.74	16.20	7.53
2010-2011	11.65	33.65	22.92	10.73
2011-2012	12.84	35.51	24.30	11.21
2012-2013	14.46	34.08	27.02	7.06

Source: Bangladesh Bank, Bureau of Statistics and Bangladesh Economic review, 2014.

Bangladesh is always a trade deficit country. Import is larger than export (Table-2). Remittances are used to pay for trade deficit. Increasing remittances help to finance trade deficit and play a positive role on balance of payment by financing excess imports payments.

Remittances have direct effect on balance of payment. Remittance inflows help to reduce foreign exchange deficit needed to payment of imports and consolidate the balance of payment.

Remittance plays a significant role to bring current account balance positive.

Generally Bangladesh is considered a trade deficit country but statistics show current account balance during FY2005-06 to 2010-11 remained positive due to high remittance inflow, which in turn indicates that remittances play a significant role in Bangladesh economy (Table -3). Remittance plays a significant role to bring current account balance.

Table-3: Remittance, Trade Balance and Current Account Balance

(In Million)

Year	Current deficit including trade deficit	Current Transfer	Remittance	Current Transfer Account Balance
2004-2005	-4991	4290	4253	-557
2005-2006	-4614	5438	4802	824
2006-2007	-5602	6554	5979	952

2007-2008	-7849	8529	7915	680
2008-2009	-7810	10226	9689	2416
2009-2010	-7876	11596	10987	3724
2010-2011	-11080	12075	11650	995
2011-2012	-12069	13699	12735	1630
2012-2013	-12484	15009	14945	2525

Source: Bangladesh Economic Review 2014 :

Note: Current deficit includes trade balance service deficit and income deficit

The current account balance stood at US \$1630 million in 2012 and it increased by US \$ 2525 million in the fiscal year 2013(Table-3).

Remittances have contributed a lot to maintain healthy foreign exchange reserve of Bangladesh. In the FY 2005 the amount of foreign exchange reserve was US \$ 2,930 million and it stood at US \$ 15315million in 2013(Table-4). In 2005 inflow of migrants' remittance to Bangladesh was US \$ 3,848 million and foreign exchange reserve has increased with the increase in remittances and in 2014 foreign exchange reserve stands at US \$ 20 billion and remittances stands at US\$ 14224 million (Ahmed, 2014).

Table -4: Foreign exchange reserve and remittance growth

Year	Reserve (US \$ million)	Growth (in percent)	Remittance(US \$ million)	Growth(in percent)
2005	2930	8.32	3848.3	14.2
2006	3484	18.92	4801.9	24.8
2007	5077	45.72	5978.5	24.5
2008	6149	21.09	7914.8	32.4
2009	7471	21.50	9689.3	22.4
2010	10750	43.89	10987.4	13.4
2011	10912	1.51	11650.3	6.0
2012	10364	-5.02	12843.4	10.24
2013	15315	47.77	14461.4	12.6

Source: Bangladesh Bank Annual Report 2011-2012

It is seen from the Table-3 that the growth of remittance and reserve are increasing through the rate of growth differs. Foreign exchange reserve stood at US \$ 15,315 million in 2013 and in the same period remittance stood at US \$ 14,461 million.

It reveals the fact from the table that the remittances as a percentage of GDP (Table -4) has increased over the years until FY 2009-10 when it was recorded at 10.5 percent. However in FY 2011-12, the amount of remittance flow in the country amounted to US \$ 12.44 billion while the amount of remittances as a percentage of GDP increased to 11.11percent and the percentage change in remittance was 10.2 percent, and again it has risen at 11.14 per cent in 2012-13.

Table-5: Remittance and GDP, Export ratio

Year	Remittance (billion)	Change in remittance %	Remittance GDP ratio	GDP growth %	Remittance export ratio
2001	1.84	-3.4	4.0	4.2	29.1
2002	2.50	32.8	5.2	5.2	42.2
2003	3.06	22.4	5.9	6.3	44.3
2004	3.37	10.1	6.0	5.9	44.4
2005	3.85	14.2	7.7	6.6	45.6
2006	4.80	24.7	8.7	6.4	45.6
2007	5.98	24.5	9.9	6.2	49.9
2008	7.92	32.3	10.5	5.7	56.0
2009	9.69	22.4	10.8	6.0	62.2
2010	10.97	13.4	11.0	6.7	67.8
2011	11.65	6.0	10.5	6.7	50.6
2012	12.44	10.2	11.11	6.2	53.9
2013	14.46	12.5	11.14	6.0	53.5

Source: World Bank 2012, Bangladesh Economic Review-2014, Bangladesh Bank -2013.

Remittances as percentage of GDP highlight its growing importance in the economy of Bangladesh. The remittance - export ratio was 29.1 percent in 2001 which stands at 53.5 percent in 2013. The contribution of remittances as presented in Table-5 provide an overall idea about the relative importance of remittances vis-à-vis to the key macroeconomic variables and variation of this overtime.

It is observed from Table -5 that remittances in Bangladesh as a percentage of most macro-economic variables showed upward trend during the period from 2001-2013. Most significantly the remittances – GDP ratio was 4.0 percent which stood at 11.14 percent in 2013 whereas it was 3.5 percent in 1997 (BER 2014) The annual growth rate of remittances also shows a positive relationship with growth throughout years from 2001 to 2013. The amount of remittances gradually increased over the years with a small

decline in recent years. Bangladesh has been the largest remittance receiving countries throughout the last two decades. Migrant workers' remittances have much impact on the growth of economy of Bangladesh. The growth effects of remittances can be decomposed into its impact on saving investment growth consumption, poverty and income distribution (Solimana 2003-6).

7. Trends of remittance Inflow

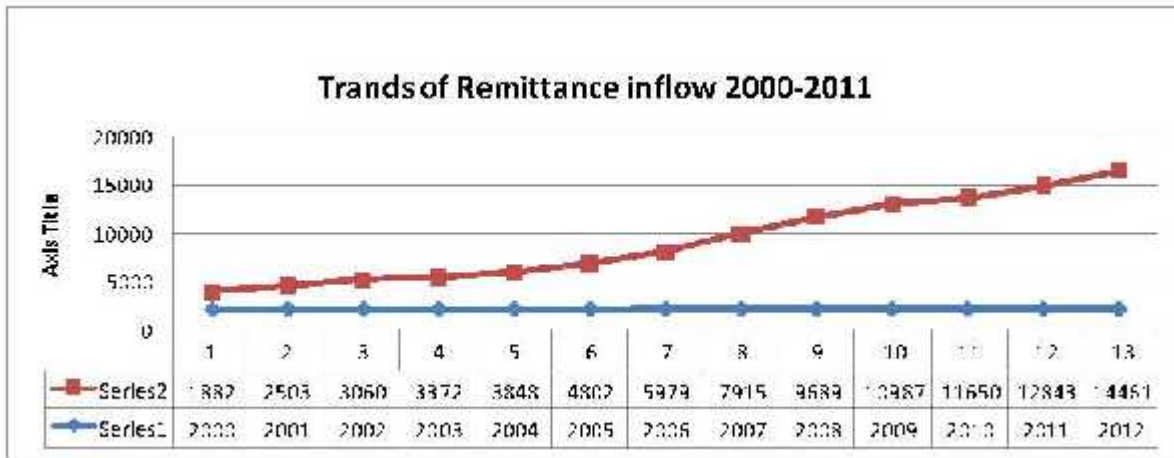
During 1970s the rise in oil price created massive demand for unskilled and semi- skilled labor in oil exporting countries. Later on, in East Asian countries similar demand for unskilled labors were created. In 1976 stock of migrant workers were only 6,087 and volume of remittance was only US \$ 23.71 million (BER-2009).The number of migrant workers now is 8.7 million and volume of remittance to Bangladesh stands at US \$ 116566 million (BMET-2013). Remittance per capita increased from US \$ 24.3 in 2004 to US \$ 77.4 in 2011. This increase reflects improvement in remittance per capita from US \$ 1,107 in 2004 to US \$ 1671 in 2011. In the same period an increase in the stock of migrant workers raised from 2.2 percent of population to 4.6 percent (WB- 2012)

Table-6: Trends of migration and remittances since 2000 – 2011 to 2012-2013.

FY	Number of migration (000)	Percent change	Remittance (US\$ million)	Percent change
2000-2001	213	-14.1	1882	-3.4
2001-2002	195	-54.9	2503	32.9
2002-2003	251	28.7	3060	22.2
2003-2004	299	19.12	3372	10.2
2004-2005	250	-16.3	3484	14.1
2005-2006	291	16.4	4802	24.8
2006-2007	564	93.8	5979	24.5
2007-2008	981	73.9	7915	34.4
2008-2009	650	-33.7	9689	21.9
2009-2010	427	-34.3	10987	13.4
2010-2011	439	2.8	11650	6.0
2011- 2012	691	54.4	12843	10.2
2012-2013	492	28.7	14461	12.6

Source: Bangladesh Economic Survey 2012-2013

Figure:1



it is observed from the table – 6 & figure-1 that during 2000-2001 to 2004-2005 annual average remittance inflow to Bangladesh was to US\$ 2860 million and 2005-2006 to 2004-2010 it was US\$ 7834 million. In the last 3 years average annual remittance was US\$ 12985 million. It is also observed that form table 6 figure-1 that form 2001 to 2013 remittances increased 7.68 times. From 2005-2006 the volume of remittance was increasing at higher level. In 2012-2013 volume of remittance was ever highest in Bangladesh. In the fiscal year 2007-2008 remittance growth was highest but after that still now remittance is increasing but at a fluctuating rate (BER-2014).

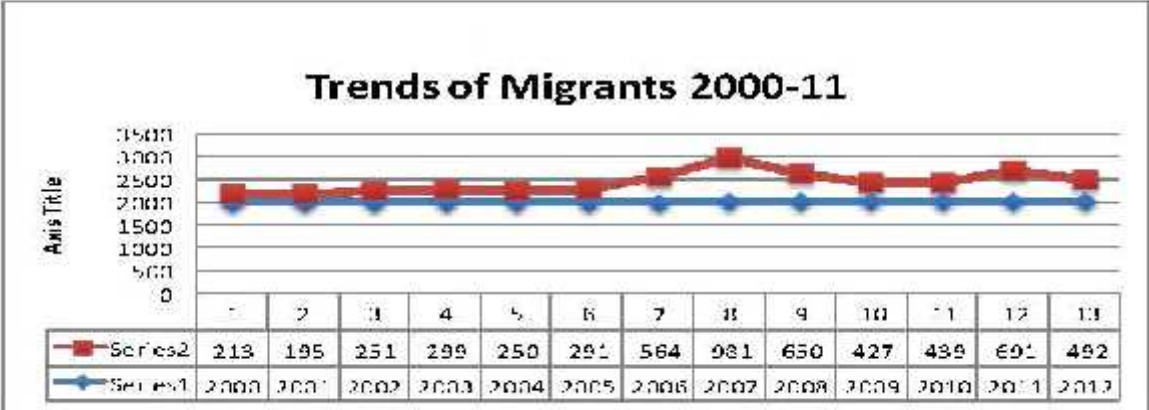
It is seen from the Table –6 and figure-1 that yearly growth rate of remittances were highest in 2007-2008 and in 2001-2002 the rate was 32.9 percent. Again in 2005-2006 it was 24.8 percent. In 2008-2009 the rate was 21.9 percent and afterwards the rate is decreasing.

8.T rends in Migrants

International labor migration has become increasingly important in the modern world due to globalization. Globalization has created of different opportunities for migrants. Massive demand for unskilled labor in labor importing countries and limited opportunities of employment in the home country and also low level wages etc. are factors behind labor outflows from Bangladesh. Higher wages in destination countries

and employment opportunities determine labour migration level. Both push factors and pull factors together determine the level of migration. Outflow of migrants recorded by BMET since 1976 stands at 8.7 million in 2013. Data indicates a positive increasing trend of labor migrants throughout the period from 2000 to 2008 except for certain years. There was a sudden increase in outmigration in 2007-2008 when 981 thousand workers left Bangladesh for overseas employment. The number of migrant workers went down further to 650 thousand in 2008 after that decreasing (Table –6 and Figure-2).

Figure: 2



The volume does not depend on number of migrants. The growth rate of migrants has no direct relationship with the growth of remittances. It depends on previous stock of migrants and other factors such as level of wages, willingness to save and remit and also socio-economic and political factors prevailing both in native country and destination countries. It is seen from the table-6 and figure-2 that the growth rate of migration is very much fluctuating. In 2006 – 2007 the growth rate was 94 percent and in 2007-2008 it was

about 74 percent. But the rate became negative in the following two years but again in 2010- 2011 the rate is increased and it was 2.8 percent afterwards the rate is decreasing.

9. Problems of Migration

Manpower export is an important sector for earning foreign exchange and reducing unemployment problem in a developing country like Bangladesh. Migration and remittance have played a great role in alleviating poverty in the country. But the migration process for the migrant workers is a complex task and full of hazards. Some of the barriers and bottlenecks are discussed in brief.

9.1. Channel of Migration

Bangladesh has millions and millions of unemployed labor force willing to be employed in foreign countries. But the process of migration from Bangladesh to foreign countries is complex and time consuming. Around 60 percent of migrant workers migrate independently, 39 percent with the help of recruiting agencies and about 1 percent migrate through government and other channels (W.B. 2012). Individual migrant receives their employment visa through social networks.

9.2. Cost of Migration

The actual average upfront cost of migration from Bangladesh is nearly three times higher than the official maximum charge.

Table-7: Costs of Migration

Migration Cost in (Taka)	Male (%)	Female (%)	All (%)
25,000	2.9	13.2	3.1
50,001-100,000	9.21	44.1	9.8
100,001-200,000	33.4	23.5	33.3
200,001-300,000	42.3	9.3	41.8
300,001-400,000	6.7	2.5	6.6
400,001+	3.8	3.9	3.8
Cost home by others	1.6	3.4	1.6

NI	12,114	205	12,319
Mean cost of migration	22,843	133,564	219,399

Source: 10 M-2010

* Percentages do not add-up to 100 percent due to unable to reports.

According to IOM survey average migration cost is the Tk. 219.394 (Table-07) where as the government legal maximum charge for migration to the Middle West is Tk. 84000. (W.B-2012)

The cost of migrating from Bangladesh is the highest among the South Asian Countries. Cost of migration from Bangladesh is higher than Nepal, Pakistan and Sri Lanka (Ketheri – 2007). IGS 2010 asserts that Bangladeshi migrants often pay double what their counter parts in neighboring countries pay for migration (W.B – 2012).

Table-8: Break down costs of Migration

Income of costs	Expenses (in Tk.)	Percentage
Government fce	1,763.33	0.80
Agency	23,569.90	10.29
Visa	20,460.29	9.33
Ticket fare	5,417.02	2.47
Intreme	130,518.93	59.49
other helpss	38,665.50	17.62
Mean expenses	219,394.98	100.00

Source: 10 M -2010

The role of dalals in migration process is vital. They exploit migrant workers in different ways. They take away lion's share of migration cost. On an average for every migration, about 60 percent of cost has to pay to Dalals, helpers about 18 percent and visa and recruiting agencies are to be paid 10 percent of total migration cost. With increased competition from other labor exporting countries, the cost of obtaining a work visa has shifted from employers to recruiting agencies in the source countries. It is eventually passed on to the potential migrant workers (Siddique – 2009).

Migrant workers face a lot of problems in home country for migration. They have no knowledge about the migration process and the cost of migration. They are ignorant about the documents to be needed. As a result they are cheated by the dalal in many ways.

9.3. Sources of Finance of Migration

Most of the unskilled workers belong to poor families. In the absence of formal financing the migrant workers have to borrow at the rate of interest about Tk. 10 per month per hundred.

Table-9: Source of Financing for Migration

Sources	Percentage
Taking Loan	67.4
Family	40.9
Selling Land	24.4
Mortgage Land	23.1
Selling assets such as Jeweley	2
Cattle tree homes	0.1
Personal Savings	8.9
In lours	4.2
Provided by NGO	3.0
Dowary	05

Source: 10 M 2010

Note: Total Member of migrants of include in the sample Percentage

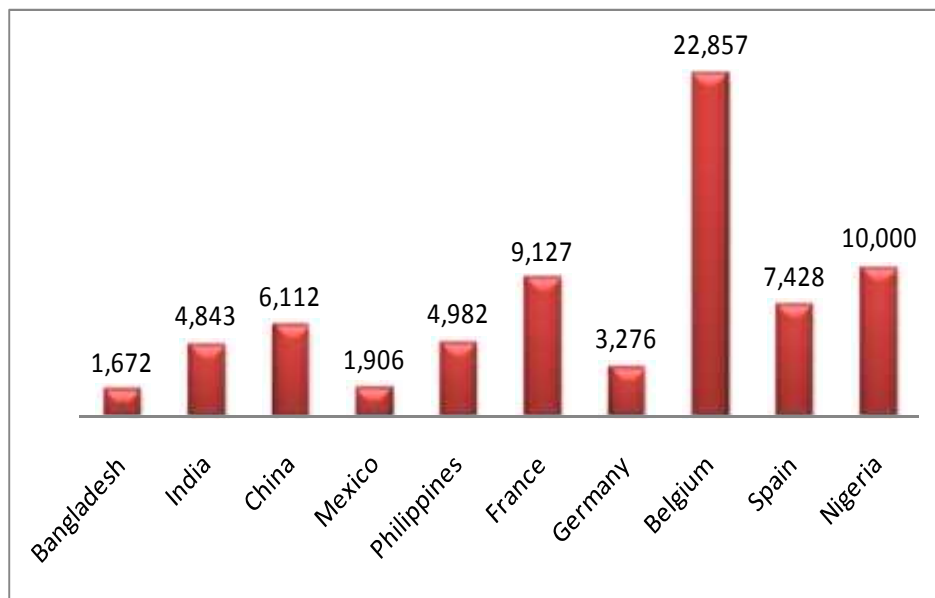
From the Table-9 it is observed that 67 percent of the total migrants workers

Taking loan, 24 percent of migrants sale landed property, 20 percent sales other assets and 23 percent mortgage land for financing managing migration cost.

9.4. Lower level of Wages

The wage level of Bangladeshi migrant workers is very low. Bangladeshi migrant workers are paid much less than the workers of the destination countries.

Figure-3: Remittance per Migrants per Year, 2010



Source: World Bank-2012

India is the first and China is the second among the highest remittance receiving countries in the world. The volume of remittance in India is 5 times higher than Bangladesh. Remittance per migrant per year is the highest in Belgium which is more than 13 times higher than Bangladesh. Remittance per migrant per year in India and China are respectively \$ 4843 and \$ 6112. Remittance per migrant per year is higher in developed countries and lower in the developing countries India is the highest remittance receiving country among the South Asian Countries. The position of Bangladesh is the second and Pakistan is the third among the SARC countries (**Figure-3**). The remittance per migrant in Belgian is about US\$ 23000 but in Bangladesh which only US\$ 1672 per migrant per year and which is about four times lower than even India (US\$ 4800).

9.5. Political Unrest in Home & Foreign Countries

Political unrest in home and foreign countries disturb normal process of migration. During the war of Iraq-Iran and Iraq and Kuwait and Amrica invasion by Iraq export of manpower to those countries decreased. During political unrest in Lybia 36, 500 people have been repatriated from Lybia to Bangladeshi worker came back to Bangladesh (Islam) due to recent civil war in Iraq & in Lybia export of manpower to this countries declined. Recent political unrest in Seyria, Lebanon Egypt and some other countries hampers manpower export. Political unrest in Bangladesh also hampers our manpower export.

9.6. Short time Job Duration of Migrant Worker:

Most of the Bangladeshi migrants work in Saudi Arab, UAE, Bahrain, Kuwait, Oman and Qatar. At present stock of migrants are around 8 million of which 90 percent migrant workers are located in 10 countries. About 80 percent of migrants are employed in Middle East countries and the rest 20% are in South East Asian countries and other countries. Share of migrants in UK and USA respectively are 5.8 percent and 4.5 percent (World Bank -2012) The characteristics of migration to Middle East and South East Asian countries are that the jobs are short term and contractual basis. The jobs are temporary in nature. After the contract is over the migrant worker is bound to come back in native land.

9.7. Problems of migration of Female Worker

Female migration from Bangladesh is much less than Philippine, Indonesia, Sri Lanka and Nepal. 75 percent of migrant workers of Philippine and Indonesia are women. The share of female migrants of total migrants in Bangladesh was 0.2 percent in 2000. Female migrants from Bangladesh constituted around 5 percent of the total outflow in 2009. And in 2010 percent of women migrants of total migrants increased by 6.48 percent (Siddiqui-2012) Female labor migration in Bangladesh was banned up to 2003. The share of female migration to total migration from Bangladesh may be 15 percent (WB-2012). In recent years demand for female workers has been increased for domestic service and garment industries in some countries.

Female migrant workers are the most sufferers in the destination countries. They are to work for unlimited hours in household. Even they are sometimes victims of sexual harassment. They are deprived of leave and rest recreation facilities. They are compelled to reside in the residence of the employers. They led a life of a slave in the middle age.

The convention concerning decent work for domestic workers for 2011-ILO convention 189 describes “the main rights given to domestic workers as decent works are daily and weekly (at least 24 hours) rest hours entitlement to minimum wage and to choose the

place where they live and spend their leave. Ratify states parties should take protective measures against violence and should enforce a minimum age which is consistent with the minimum age at other types of employment. Workers further have a right to a clear (perfectly written) communication of employment conditions which should in case of international recruitment be communicated period to immigration”.

The signatory countries of this convention are Bolivia, Germany, Ghana, Italy, Morasses, Nicaragua, Paraguay, Philippines, South Africa and Uruguay. But the Middle- East countries did not sign this convention. So the household workers such as domestic workers, guards, drivers and malis are not under labor laws of those countries. It is a challenge to protect workers’ interest and international labor standard. There is no way to solve any problem arising between worker and employer in the court. Employer himself is the person upon whom the migrant workers’ interest lies (BMET- 2013).

9.8. Regional disparities of Migration

Workers’ remittances contributed to the well being of the remittance receiving households, but in Bangladesh there are disparities in access to migration. Household having expatriate workers are highly concentrated in some areas of the country relative to others. Over 82 percent of migrants abroad come from Dhaka, Chittagong & Sylhet. Migration form Chittagong division is highest (40 percent), Dhaka Division (35.5 Percent) where as in Rajshahi Division 7.2 percent, Khulna, 5.6 percent, Barisal 4.1 percent and in Rangpur it is 0.8 percent only (WB-2012).

Labours of remote areas lack behind due to information gap absence of training facilities & limited network effects.

9.9. Lower Level Skill of Migrant Worker

Most of the Bangladeshi migrant’s destination countries are the Middle -East countries & South Asian countries where wages of labor are very low in comparison to developed countries. Generally skilled migrant workers are paid higher wages. But most of the Bangladeshi workers are un skilled and paid low level of wages. Due to lower level of wages remittances flows to Bangladesh are low in comparison to huge number of expatriate workers.

Table-10: Skill Composition of Migrant Workers from 2001 to 2012

Year	Professional	Skilled	Semi-skilled	Less-skilled	Total
2001	5940	42742	30702	109581	188965
2002	14450	56265	36025	118516	225256
2003	15862	74530	29236	134562	254190
2004	12202	110177	28327	122252	272958
2005	1945	113655	24546	112556	252702
2006	925	115468	33965	231158	381516
2007	676	165338	183673	482922	832609
2008	1864	292364	132825	448002	875055
2009	383	104627	18419	341922	465351
2010	387	90621	12469	279673	383150
2011	1192	229149	28729	308992	568062
2012	812	209368	20498	377120	607748

Source: Bangladesh Economic Review 2009, 2012 and Siddiqui-2012.

Figure 4 : Skill Composition of Migrant Workers 2001 & 2012



It is seen from table no. 10 and Figure-4 percentage of less skilled migrants is 50 to 60 percent on average. Unskilled migrants have a tendency to increase year after year but the percentage of professional are decreasing at a alarming rate which was 3.14 percent in 2001 but decreased to 0.13 percent in 2012. The percentage of semi skilled workers have also decreased significantly which was 16 percent in 2001 but in 2012 it stands at 3.37 percent. Per migrant earning differs because of differences in skills and volume of remittances depend on migrants composition.

Flow of remittances depends on migrant's wages in destination countries and propensity to save and remit. Duration of migration family structure (age, children, dependency etc.) affect money transfer and network effect. Remittances greatly depend on migrant workers nature of job. Temporary migrants remit comparatively more money than the skilled. The unskilled migrant's propensity to save is more than the skilled but their earnings are has than the skilled. Income of this skilled labour is Three times higher than an unskilled migrant labour.

9.10. Professional Immobility of Labor in Destination

The Bangladeshi migrant workers are engaged in jobs of temporary nature and are contractual basis. They cannot change jobs due to contract. So the workers who have sufficient efficiency to get a job of higher salary are unable to avail of the opportunity because of contractual barriers.

9.11. Exploitation by the Middle Man

Most of the time remitters have to pay excessive amount of money to the dalas for helping to send abroad. Sometimes remitters are exploited by dalas for wrong visa and work permit.

9.12. Illegal Migration

Illegal migration of the Bangladeshi migrant workers is the causes of decline of manpower export to Middle East countries and Malaysia. Saudi Arab, EUA, and Malaysia had stopped imports of workers from Bangladesh. Bangladesh workers in those countries lost their good will due to different misconduct. Due to misconduct and false

visa and work permit those countries impose embargo on export of manpower from Bangladesh.

More than 10 lac migrant workers become illegal in Saudi Arab, Malaysia and in Iraq. The migrant workers had become illegal for various reasons, end of contract, false, Visa false work permits ect, are the causes of illegal migrant.

The migrant costs of migrants are very high in Bangladesh due to dalals and agents. The migrant workers are engaged in connatural basis and jobs are temporary nature. After the expiration of the contract period, the migrants are unable to earn even the migration cost. The migrations cost in Middle East countries are 2-3 lac and in Malaysia 3-4 lac Taka. Failing to earn even the migration cost. The migrant wants to stay in the destination countries. In this way illegal migrants are crated.

9.13. G to G Agreement and Non-co-operation by the Agents

As migration cost of Bangladesh is much higher than in our neighboring countries. The Government of Bangladesh attempted to fix migration cost at a minimum level. To this end government of Bangladesh signed G to G agreement with some countries. The cost of migration to Malaysia has been fixed at Taka 33,176, in Jordan Taka 14,000 and in Korea it is fixed at Taka 65,000 (BER- 2013) After G to G agreement export of manpower to Malaysia decreased drastically. Export of manpower in Malaysia has been declined due to non-cooperation of the manpower exporting agents.

9.14. Lack of Education and Training

Remittances vary according to level of education, types of job and skillness. Skilled migrants earn more money but remit less money than the unskilled. The skilled migrant workers are permanent job holders. They are more likely to take their family with them in the destination country. The JOM survey 2010 shows that remittances sent by Bangladeshi migrant have high positive correlations to their level of education. Remittances are higher in case of Doctors, Engineers & Professors. A migrant with secondary education remit taka 30,000/- on an average per annam more than a migrant without secondary education. A migrant with higher education is likely to remit on

average Tk. 40,000/- and a unskilled migrant is likely to remit Tk. 29,000/- per annum. (WB 2012)

Education Status of Expatriates

Sl.No	Qualification	Percentage
01	Illiterate	9.56
02	1-1X	61.50
03	SSC/ Equivalent	16.25
04	HSC/ Equivalent	7.19
05	Degree/Hons	2.47
06	Masters	0.62
07	MBBS/Eng.	2.41

Sourc- SUR-BBS-2013

About 9.56% of total expatriates are illiterate and 90.44% are literate. Out of the total expatriates 61.50% has passed class-I to IX, 16.25% obtained SSC or equivalent degree, 2.47% has graduation or graduation with honours degree, 0.62% has masters degree and 2.41% has medical or engineering degrees. About 87.82% of the total expatriates did not take any formal training before leaving the country. However 12.18% undertook some level of formal training at home. Among the trained migrants, the highest share, 6.01%, received vocational training followed by 1.79% on language, 0.38% on computer, 1.59% on driving and 2.41% on others. (SUR-2013)

Although countries Singapore, Japan, France and Canada account for a small share of total expatriates of Bangladesh, these countries are predominantly the destination of trained workers. At the same time, Middle Eastern countries have become the main destinations of untrained Bangladeshi workers.

9.15. Kafala: Labour migration to GCC Countries and the Arab states are mainly governed under a system of migration which is known as Kafala. The system provides the legal framework for recruitment, stay, work and exit of migrant to and foreign GCC countries. In the kafala system employment assume full responsibilities of the

employment during the contract period. After the contract is over the migrant is supposed to go back to his (own country of origin). It is a system of slavery.

Under the kafala system the sponsor is supposed to pay commission to recruitment agencies for recruitment of foreign workers. The contract is for two years. The workers is supposed to work for one employer. In recent decades kafells are nominally involved in the employment of foreign workers. They allow their names to be used to sponsor foreign workers in exchange of money. The dalals who could be nationals of the origin countries organize the business (Siddiqui 2013)

As the workers are under absolute power of the kafala, the employers takes the passport of the migrant worker and store with him. The workers are forced to serve at lower rate of wages which was in the contract. Gulf Co-operation Council and in Arab countries are heavily dependent on foreign labour. According to a estimate of ILO 25 million of migrant workers work in those countries. This 25 million of labour work as slaves and deprived of their just share and benefits of jobs. It is a strange state that in civilized world still salary system like kafala is still operating.

9-16. Lack of Labour Law in destination countries.

There exist disparities among the workers of the destination countries & migrated workers regarding wages level and other service benefits. The destination's own workers are paid much higher wages, than migrant workers in the same jobs.

In some countries there is no labour law of its own and in some countries there is no labour law for migrant workers. The middle east countries do not follow the ILO conventions. Some countries do not obey International Human Rights. The migrant workers have no access to court if there are deprived of the legal pay or for any inhuman or illegal activates done by the employers. The migrant workers engaged in Middle East countries are the worst suffers in these cases.

9-17. Language Problem

Language is one of the important problems for the migrant workers. Most of our migrant workers are illiterate and less educated. Due to language problem migrant workers in abroad suffer in service receiving and transactions and even in work place and court.

9-18 Illiteracy & Ignorance

Most of the migrant workers of Bangladesh are unskilled and illiterate or almost illiterate. They are not aware of government migration process, rules and regulations. They are unable to find out real manpower recruiting agency and do not know the exact migration cost. They even do not know that migration may be possible through government and about financing form Probashi Kallan Bank. Due to ignorance of the migrant workers, the Dallas takes the opportunity to exploit them in different phases of the migration. Sometimes the simple and innocent people are caught in tap of the pacher kari teams. In recent years about three lac migrant workers had been illegalized in Malaysia of which 30 thousand were for cheating by argents, dalal, and foreign employers (Nahar-2013).

10. Prospects

Demand for labor started to create in the Middle -East countries since 1970s with the rise in oil price. Massive construction works in those countries was created demand for unskilled labor at a large scale. The share of foreign labor force to total labor force is significant in those countries. They are mostly dependent on foreign labor force. In Qatar it is 94%, UAE 89 %, Oman 73 %, Saudi Arabia 87% Kuwait 83% and Bahrain it is 45 % (Kalam -2013). Labor of South Asia and South East Asian countries are migrated to those countries.

Table-11: Foreign Labor Force and Share of South Asia in the Middle East Countries.

Country	Total labor Force	Foreign labor force (Percent)	Share of South Asia (Percent)
Oman	100	73	57.38
Kuwait	100	83	50.87
KSA	100	89	56.84
Qater	100	49	66.63
Bahrain	100	94	61.95
	100	45	91.29

Source: Kazi Abul Kalam, BMET -2013(Compiled)

In Bahrain 91 % of the foreign labor is employed from South Asian countries, it is 66.64 % in KSA, 61.95 % in Oman, 57.38 % in UAE. About 70 % of Bangladeshi migrant workers migrated to these countries.

The demand for female labor was also created in the Middle- East countries with the economic development of those countries. Philippines, Indonesia, Sri lank, Nepal are main female labor suppliers to the Middle -East countries. The position of Bangladesh in exporting female labor was lowest up to 2003, when female labor migration was banned. In the recent years female migration is increasing.

Due to misconduct and illegal activities, Saudi Arabia, UAE and Malaysia in 2011 put embargo on manpower importing from Bangladesh. And the same is the case with Malaysia. Deterioration of bi-lateral relationships with some Middle- East countries manpower export from Bangladesh decreased drastically. If the illegal activities occurred by the agents, *dalals* and migrants are stopped and bi-lateral relationships of the government improve export of manpower to those countries further may be increased.

We should bear in mind that we have competitors in the international labor market. Export of manpower in Malaysia was increased tremendously in 2007 and 2008 but afterwards decreased drastically. After G to G agreement export of manpower in Malaysia decreased and in 2013 it decreased by 0.13 percent only. To find out causes of decrease and solution is urgent.

According to a report of World Bank in 2012 Bangladesh is the 7th largest remittance receiving country and in respect of export of manpower her position is the 4th in the world. The number of migrants in Bangladesh is 5.4 million and in India was in the first position while manpower export was 11.4 million. Though population of Bangladesh is 1/9th of India but export of manpower is half of the India. Manpower export from China was 8.3 million, Mexico 11.9 million, Philippines 4.3 million in and in Germany it was 3.5 million. The position of manpower export of Bangladesh is up to the mark. (WB-2012)

The General Agreement on Trade and in Services(GATS) is a new agreement which came into force with founding of the World Trade Organization (WTO) in 1995 as a result of the Uruguay Round negotiation. Now-a day the negotiations under WTO framework are important for developing countries. Temporary Movement of Natural Persons (TMNP) i.e., Mode-4 can provide it with the opportunities to send its people abroad to deliver services (Hassain-2010).

Major developed countries are facing changing demographic and economic trends that projected an important need for increased low skilled worker participation over the next 50 years. Mc Donald and Kippen (2001) concluded that demographic and economic trends from 2000 to 2050 are projected to reduce labor supply in many of the major developed countries such as the USA, Australia and Germany. In many other developed countries there will be the labor shortage within next twenty years. Aging of population, retirement, young people entering the work force at a later stage, low birth rates and an increase in living standard leaving the local population less interested in low skilled work etc. are the causes of demand for low skilled labor in developed countries.

In some developed countries, labor supply is projected to stagnate or fall in the next 10 years. Australia and Canada are likely to experience rising levels of labor force only until 2015, after that levels will become constant. In Netherlands and in Sweden labor supply is projected to fall after 2015. Labor force of Germany and Japan will decline in near future. The growth and development of the developed countries will depend on a fast growing labor force that will require low skilled workers. Given the substantial need for low skilled workers in developed countries,. LDCs have a 230 million unemployed labors and they may provide a good source of temporary workers (Hussain-2010). Bangladesh is a labor surplus country with a unemployment of 2.6 million and including unpaid family helpers it is 10 million over. Most labors are unskilled and less skilled. Migration of unskilled and less skilled reduces unemployment and reduces poverty at the same time. Skilled migrants income are higher but do not play role to reduce poverty as they are from well to do families. GATS mode-4 or temporary movement of natural persons is

especially important for Bangladesh. Bangladesh has significant scope of gaining benefits from GATS especially in terms of exporting services through Mode-4.

Conclusion

Over a decade export of manpower from Bangladesh has been increased at a progressive rate except certain years. Migrants' remittances are now a development alternative for Bangladesh. Manpower export and earning remittance contributed a lot in our development. Now the economy would be greatly affected if the remittance earnings do not continue at a prevailing rate. And the unemployment problem will be turned into a serious problem. Recent decreasing tendency of both migration and remittance have disappointed the nation.

To improve bi-lateral relationship with Saudi Arabia, UAE, Kuwait is a urgent need for Bangladesh. To find out the causes of failure of G to G agreement with Malaysia and to adopt proper steps is the demand of the time. Training facilities should be expanded every nock and corner of the country. Exploration of new labor markets is mostly needed for increasing manpower export. There are disparities of migration among divisions and districts of the countries. So measures should be taken to reduce migration disparities. Necessary measures should be taken to increase female migration. To control the illegal activities of the *dalals* and recruiting agents, necessary laws should be imposed. The foreign embassies of Bangladesh should take active part to solve the problems of migrant workers in destination countries.

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