

Workshop on Lowering the Cost of Migration and Developing a Model Bilateral Framework in Collaboration with Receiving Countries

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Summary Report

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Workshop chairs: Government of Bangladesh and Government of Switzerland

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Rapporteurs: Jodi Rockman (IOM), Peppi Kiviniemi-Siddiq (IOM)

Participants: Governments representatives from Bangladesh, China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Vietnam, Italy, Switzerland, UAE and USA. International Organizations were represented by ILO, IOM, UNHCR and UN Women, while Civil Society Organizations included national and regional NGOs, Coordination of Action Research on AIDS and Mobility (CARAM Asia), Bangladesh Enterprise Institute (BEI), Bangladesh Migration Development Forum, Refugee and Migratory Movements Research Unit (RMMRU) and Winrock International. Recruitment agencies were represented by BAIRA.

Total number of participants: 66

*Names appear in order of the sessions, as per the agenda

1. Introduction - The GFMD Dhaka Thematic Meeting in Context

Lowering the cost of migration to promote the developmental benefits of working abroad was a key recommendation of the 2010 Global Forum on Migration and Development (GFMD) meeting in Puerto Vallarta, Mexico. The matter was debated further at the first GFMD 2011 thematic meeting hosted by the Government of UAE in Dubai in January, where labour sending countries from Asia met with key destination countries to explore solutions to the specific problems associated with recruitment. The Dhaka thematic meeting took a more holistic approach to the concept of costs, looking at all possible causes for inflated charges the migrant faces during the process of labour migration, as well as exploring possible solutions to the high costs.

Most labour migrants decide to migrate primarily due to a desire to improve income for themselves and the families they leave behind. Having access to higher wages abroad can make a significant difference to a migrant worker's financial wellbeing. Migration, however, almost always requires initial financial investments such as in the form of placement fees paid to recruiters and documentation costs in procuring passports, visas and other required tests and certifications. Migrants also continue to incur costs once at the destination, by paying for their accommodations and food, and even during return, by purchasing air tickets and making-up for missed social security payments. In short, migrating for work does not come cheap. It is a large investment for many migrants while also offering potentially handsome dividends.

Hosted by the Government of Bangladesh in partnership with the Swiss Government and with technical support from the International Organization for Migration (IOM), the Dhaka meeting focused on identifying all possible factors inflating the monetary cost of migration, and consequently explored practical solutions to lowering the costs. Throughout the two-day meeting labour sending countries shared practical experiences and good practices in facilitating affordable migration.

Special emphasis was given to the usefulness of bilateral and multilateral agreements in lowering the costs, in line with the 2011 concluding GFMD debate theme of "*Taking Action on Migration and Development – Coherence, Capacity and Cooperation*"

2. Key issues and outcomes of the Dhaka Workshop

Discussion focused on understanding the high monetary costs of migration from Asian labour sending countries to popular destination countries in the Gulf Cooperation Council (GCC) region and South East Asia. Following a day of debate on the challenges and solutions a migrant faces in the process, the subject was further delved into through three specific working groups, which looked at the various components of migration costs at the pre-departure stage, at destination, and upon return. These discussions shed further light on how post-departure stage costs play a crucial role, as pre-departure costs often throw the migrant worker into spiraling debt.

Specific factors that contribute to a disproportionately increasing monetary cost of migration raised during the meeting are listed below. In general it was noted that such costs, in most cases, are illegal as well as unethical and when passed on to aspirant migrant workers and often binds them into long-term debt. The workshop discussed a number of good practices from sending and receiving countries which could be replicated in other comparable contexts for mitigating unlawful practices contributing to high monetary costs of migration.

The issue of 'visa trading' or 'visa selling' in destination migration countries in the GCC region was identified as one of the main factors leading to high migration costs. The need for

reviewing this practice in order to address the root causes behind the prevalence of illegal channels for visa distribution was highlighted. It was further agreed that strengthening and enforcing appropriate regulatory mechanisms, in both sending and destination countries, to prevent the illegal channels from taking over is required. It was also suggested that efforts be made to promote skill-matching, including for low-skilled workers and that information communication technologies could play a role in eradicating unlawful visa trading practices. References were made to creating an online database registration and contract validation system used by both sending and destination countries that could be an effective response to the illegal trading.

The *Kafala*, or visa sponsorship system, in practice in all GCC destination countries, was seen as contributing to migration costs. While the origin of the system is inherent in the socio-cultural norms of these countries, the system lends itself to abusive practices, through legal anomalies and regulatory constraints. It was suggested that the underlying principles of this system be reviewed through official channels.

Problems arising from the unregulated practices of recruitment agency middlemen or sub-agents, particularly in rural areas, were also deliberated. Regulatory mechanisms were in place in some origin countries, particularly in the Philippines, that have proved effective in monitoring recruitment agencies. There are also initiatives, such as in Sri Lanka, to mainstream the local level sub-agents by registering them as service providers, and making provision for holding recruitment agencies responsible for the management of sub-agents. The need for surveillance of sub-agents both at the country of origin and in destination countries was also emphasized.

It was suggested that relevant ILO conventions, such as the Convention 181 on Private Employment Agencies could provide effective guidelines for regulating recruitment agency activities. In addition, recruitment agencies should be encouraged to develop and comply with codes of conducts drawing from existing conventions.

Awareness building and information dissemination among aspirant migrant workers to mitigate their susceptibility to abusive practices was stressed. Governments, through effective partnership with civil society organizations and media outlets have a key role to play in this regard.

An enforceable collaborative framework between sending and receiving countries could effectively safeguard against most abusive practices relating to high migration costs. A host of good practices emanating from bilateral agreements and Memorandum of Understanding (MoUs) between sending and receiving countries were highlighted. It was noted that the more successful agreements attribute all the recruitment costs to the employer rather than the worker, and that clear provisions are made for living arrangements at destination. A standardized work contract stipulating the minimum wage and working conditions was also seen as beneficial.

Social security contributions at destination country were seen as problematic, as the migrants rarely get to reap the benefits of their contributions. It was agreed that a MoU stipulating the return of the contributions to the migrant upon return to their country of origin, would be beneficial.

A number of government experts said bilateral agreements were useful in their specific contexts; however they could also be limited in scope and suffered from a lack of proper implementation on the ground. As such, there is a need for support from international organizations and the civil society to ensure their proper implementation and monitoring. It was also noted that sometimes the willingness of sending countries to negotiate bilateral agreements directly with the destination countries resulted in a competitive atmosphere, eroding many rights that could be granted to the worker.

Thus, it was agreed that multilateral frameworks should be developed to foster collaboration and build on useful platforms like the GFMD. Participants felt these frameworks for collaboration should be developed in a transparent and inclusive manner and should incorporate views and feedback from relevant civil society organizations. Collaborative frameworks should address recruitment provisions, employment security, income security and social security as well as issues relating to rights of representation of migrant workers.

An enabling policy environment and a collaborative approach amongst sending countries should prevail to reverse the trend of 'race to the bottom' amongst the policy makers. India however noted that 'healthy competition' could in cases be promoted to reach a benchmark of standards for protecting migrant workers.

There is a need for pursuing a parallel approach. While it would be beneficial for all concerned to develop a multilateral collaborative framework, it could be advisable to explore the possibility of developing a comprehensive, model bilateral collaborative framework that could be used as a reference for sending and receiving countries entering into bilateral agreements drawing on standardized contracts.

Outcomes:

- Measures should be taken to ascertain proper methods for implementation and enforcement of bilateral agreements. In addition, the feasibility of developing a long-term multilateral collaborative framework should be explored. These frameworks should be developed in a transparent and inclusive manner incorporating views of all relevant stakeholders including civil society organizations.
- Existing standardized contracts should be specific enough to provide for guidance on minimum wage, working hours, living conditions while abroad and health care provisions.
- There is a need for reviewing practices associated with visa trading that lead to high migration costs. Regulatory and supervisory mechanisms should be strengthened in both sending and destination ends to prevent the slippage of this practice into illegal channels or exploitative practices. Particularly the underlying principles of the *Kafala* system should be revisited through official channels.
- Recruitment agencies should be encouraged for self-regulation by developing and complying with codes of conducts drawing from the provisions of relevant ILO conventions, and their compliance monitored by governments. Surveillance of sub-agents should be conducted by expatriates in destination countries. Recruitment agents should be responsible for the management and conduct of the multi-layers of recruiters used in the recruitment process.

3. Conclusion

In reducing the costs of migration and enhancing the development benefits of the phenomena, it was agreed that all players, from sending and receiving government to recruitment agencies, migrants' and civil society organizations, and international agencies have an important role to play.

Looking ahead, participants saw the need to continue the multi-stakeholder dialogue to reduce migration costs. The Dhaka meeting also highlighted the need for a multilateral framework spelling out minimum requirements for regular migration with dignity. This could be used for reference when governments conduct more specific bilateral agreements.

Most sending countries also concurred that a collective position on the sending countries behalf agreeing on basic migrant rights would be advantageous when negotiating with destination countries. Such an agreement would improve the bargaining power of each

individual country *vis-a-vis* their negotiating partner and result in fewer costs and therefore better protection of the migrants' rights. However it was noted that such an agreement has been unattainable so far due to a multitude of difficulties and that more work should be done through the Colombo Process as well as other platforms to facilitate a common position.

While the GFMD is an intergovernmental forum, it was felt that multinational corporations could be drawn into the debate, particularly when discussing working conditions and labour contracts, as they can play a crucial role in changing government policies and reducing costs.

Finally, and seen by many as the most practical solution to the problems associated with high migration costs, more work should be done in harmonizing the regulation of recruitment agencies both at sending and receiving ends. Making the agencies, together with their sub agencies, accountable for the contracts they have signed with the migrant workers would eradicate some of the more rampant malpractices.

The ability of the Dhaka meeting to come to any concrete conclusions about the nature of cooperation was limited by the small number of representatives from the destination countries, particularly from the GCC region. However the civil society organizations made useful contribution to the debate, bringing in a valuable perspective from the front line.