

Migration: A Business Impact on the Bangladesh - Qatar Corridor

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Abstract: *Bangladeshi's leave behind a legacy of being migrants. They have been mobile in the Indian sub-continent for centuries. Qatar has been their second largest destination in the GCC countries. Availability of low paid workers, semi-skilled and skilled workers cheaper than any other countries resulted in the huge inflow of migrant workers to GCC countries. Each year, more than 400,000 workers leave the Bangladesh for overseas employment. Problems faced by Bangladeshi migrants include: high fees for migration charged by recruitment agencies, especially for low skilled jobs; low wages, lack of information on migration opportunities and risks; discrimination, exploitation and abuse while overseas; and insufficient services to protect the rights of workers. Both sending and receiving governments should implement meaningful mechanisms in curbing migration through middlemen and kickbacks that result in exorbitant recruitment fees. In recent past Qatar, has agreed to recruit 300,000 Bangladeshi nationals. Announcing that deal, Bangladeshi's previous Overseas Employment Minister, Khandker Hossain, said that Qatar had agreed to force local companies to only hire nationals who are registered in a government database in their home country, a move designed to stop its nationals from becoming victims to human traffickers and recruitment scams. It is not clear whether this agreement was acted upon, and whether the new deal includes this stipulation. But what is in practice is absolute breach of Ethical standards of recruitment. Exorbitant recruitment charges had left 96% of the migrant workers into debt bondage and the rest into signing unfair employment contracts. The key challenge is to develop a balanced set of regulations that are in tune with on-the-ground realities and that nudge informal recruiters toward legitimate business operations. The practice of many recruitment agencies demanding repayment of deployment costs from migrants who doesn't want to complete their contract period, makes migrants vulnerable to exploitation as deployment cost like recruitment cost are not regulated legally. The very fact that without the active participation of recruitment agencies temporary migration at the current scale would be impossible, at the same time, the governments had left the recruitment agencies unregulated making the migrants vulnerable to abuses. Governments are responsible for formulating laws on decent work and social protection and regulating the activities of other actors involved in migration, such as recruiters and employers, to make sure that their actions are in line with these laws. However, different non-governmental and civil society actors, including trade unions, play a key complementary role in creating an enabling environment to strengthen the development role of migrants. International and national labour unions have the potential to advocate for the rights of migrant workers and to attempt to recruit those workers as members.*

Keywords: Labour Migration in GCC, Ethical Recruitment, GCC, Bangladesh Labour Market

1. Introduction

Remittances play a crucial role in pushing the Bangladeshi economy. According to the World Bank, total remittance received by Bangladesh in 2013 was \$14.5 billion, which has increased to \$ 15.0 billion in 2014-15. In 2014, the remittances constituted 8.21 % of the GDP of Bangladesh. In January-March 2015 quarter Bangladesh earned \$ 3771.16 millions of remittance, which is 8.49 percent higher than the previous year. These remittances have helped Bangladesh's economy maintain its 5.5- 6 percent GDP growth still it is not viable enough to occupy all skilled, semi-skilled, and non-skilled workers in the country. Statistically, only 26 percent of its population lives below the national poverty line of US\$ 2 per day, but a substantive percentage remains unemployed or underemployed.

Though the migrants are important to Bangladesh's economy, many serious ill effects of migration too have emerged. Under the guise of migration, human trafficking is taking place from Bangladesh to many parts of the world. Women and children from Bangladesh are trafficked into India, East Asia, and West Asia for commercial sexual exploitation and to serve as bondage labour. To check this activity, especially human trafficking of females, the government of Bangladesh issues licenses to the recruiting agencies, which are renewed at regular intervals of time and maintained by the concerned agency. Widespread poverty, underemployment, and a youthful age structure have all contributed to the predominance of economically motivated international migration from Bangladesh.

This heavy inflow of migrant workers in the recent past had resulted in the formation of new Recruitment agencies in Bangladesh. As on today there are 956¹ registered recruitment agencies with BIARA, actively involved in recruitment and more than 10000 unauthorized middlemen. These middlemen or organized crime groups are getting rich by providing false travel and employment papers for young aspiring migrant workers in exchange for large sums of money. Families of the young workers, mostly from rural areas, are lured into selling their land or borrowing money from unauthorized middlemen or from banks who charge high interest rates in exchange for well-paid employment abroad which turns out to be stories. These middlemen are more organized and united than the BIARA and in short they control the entire recruitment from Bangladesh. There are incidences even these unauthorized middlemen pay a part of their share to the members of BIARA where by their interest are always being protected rather than being punished.

In 2013 the Government of Bangladesh revised the Overseas Employment and Migration Act which includes Emigration Rules, Rules for Conduct and Licensing Recruiting Agencies, and Rules for Wage Earner's Welfare Fund. Despite all such steps migrants are being exploited by the domestic agencies and they face umpteen challenges in the host country they end up in. Recently, Qatar's Supreme Committee for Delivery and Legacy, the organization responsible for World Cup 2022 and ultimately for stadium construction published Workers' Welfare Standards in 2014,

where it clearly states that “The Contractor and its Other Contracting Parties shall only use the services of a Recruitment Agency that has been registered with the Qatar Ministry of Labour”², which is hardly been followed. If otherwise followed these recruitment agencies, make agreement with the Local Registered Recruitment agencies and pose themselves as sister concerns to get the recruitment agreement with the main contractors. These is widely seen in Q22 projects in Qatar. The Qatar agency will be offered a part of the recruitment fees as per agreement but its huge sum of money that has been involved and resulting in exorbitant recruitment fees.

Many companies in Qatar has recently got involved in make belief Q22 standard camps rather make shift camps or labour accommodations. These accommodations are so made to show the Welfare auditors that they follow the standards. The actual percentage of workers who gets the benefits of these accommodation will be below 5% of the total workforce. A common explanation to such an act is that all the projects they are involved don't want them to follow the Q22 standards but knowingly or unknowingly these companies are building disparities between workers which will have a long-lasting impact on their mental conditions resulting is huge productivity loss. Similarly, many companies have started signing in agreements with recruitment agencies to ensure they follow the path of Ethical recruitment. Infact they had been mocking at the system as the agreement says they pay USD200 per workers irrespective of the trade and skill levels and pay for their joining tickets which itself I far from reality.

1.1 The Recruitment Business

Recruitment and recruitment Industry emerged because of the WWII and dates to 1940's. These recruitment agencies were born to fulfill the gap at the work place that was formed due to the soldier called for war.

The first official recording of labour migration flows to the GCC countries from Bangladesh was initiated by the Bureau of Manpower, Employment & Training (BMET) in 1976. Per BMET, the formal recruitment of Bangladeshi labour to the GCC countries started in the mid-1970s and by 1980, nearly 80,000 migrants had gone to the GCC countries for work. The number of migrants reached nearly 1 million between 1981 and 1990, around 1.9 million between 1991 and 2000, and approximately 2.4 million between 2001 and 2010³. Almost half of the total migrants joined the labour market of Saudi Arabia. The other countries are the UAE, Kuwait, Oman, Qatar and Bahrain. Much of Bangladeshis are unskilled male migrants. A small number of Bangladeshi women have also joined in the labour markets of the Middle East, Southeast and South Asia (Maldives); the rate of female migration, according to a BMET⁴ report, is from 3 to 5 per cent at the national level⁵

In olden days, as to be precise till early 1970s no recruitment agencies had been charging any recruitment fees from the migrant worker going to the Persian Gulf from the Indian sub-continent. With the rapid growth in the economy and huge requirements that needs to be filled in a short span resulted in huge competition between the recruitment

agencies sending the migrant workers. This is the time when some migrant workers started paying bribes to the recruitment agencies to expedite their departure faster. Thus, this was the inception of recruitment fees which rather became, an epidemic over a decade, as the business started lucrative with easy money everywhere the recruitment agencies started bribing the companies to facilitate them with more business and in turn recruitment agencies bribed the company owners or human resource executives.

To pay recruitment and processing fees, some migrants agree to salary deduction schemes that withhold a sizeable proportion of their pay.

This resulted as migrant workers ending up in debt bondage and abusive working condition. Retention of work force started reducing rapidly. Studies had beyond doubt, proved that retention of workforce had dropped by 90% last 15 years in GCC countries. It's now rare to find an expat worker claiming to be working in single company more than 5 years. Whereas, in the olden days' worker stick to a single company more than 20 years, which means they had been treated well and had undergone a deep committed relationship with their employers. Vested Interest both by the Recruitment agencies and the recruiters had resulted in such a huge drop in the retention. New work force means new recruiting in which resulted unaccounted money for both the Recruitment agencies and companies.

Recruitment is no doubt a very lucrative business, why because it's done in the worst unethical way, but those tears that swept hard-earned penny of poor migrants should be accounted to justice atleast once in their lifetime. This business if done in an ethical way should have resulted less profit, but it would have helped the recruitment agencies to differentiate themselves in the market and contribute genuine business benefits both to their clients and candidates during tough economic times.

1.2 Role of Recruitment agencies and sub-agents

Surf Bangladesh recruitment agencies websites online. Everyone claimed to be professional, highly equipped and have a large pool of available workforce in different disciplines immediately for selection. I had asked quite some of them to explain what they mean by those words (professional, highly equipped), they came up with similar answers – good office, more staff, we have more sub-agents, we don't take money from workers unless they are offered an employment etc.

In the recruitment process, prospective migrants in Bangladesh use the services of four public and private institutions -- BMET, Bangladesh Overseas Employment Services Limited (BOESL), recruiting agencies and migrant networks -- and together they form a semi coherent system of governance that facilitates smooth flows of labour overseas. The Bangladeshi government's most prominent structure regulating migration is known as BMET, established in 1976. The BMET issues and renews the licenses of recruiting agencies, grants permission to agencies to recruit, provides immigration clearances after verifying visa papers and employment contracts, looks after the

welfare of Bangladeshi workers abroad and manages many other functions related to training of workers and promotion of migration overseas. Currently, BMET is under the administrative control of the newly established Ministry of Expatriates' Welfare and Overseas Employment. While the BMET supervises and controls recruitment, actual recruitment takes place through three other channels: a government-run organization called BOESL, private recruiting agencies and migrant networks. The government-run organization for overseas employment, BOESL, established in 1984, is mainly involved in migration of high-skilled professionals overseas. The role of BOESL in skilled and professional migration is not necessarily significant.

Recruiting agencies have a guild known as the Bangladesh Association International Recruiting Agencies (BAIRA), formed in 1984 with a view to catering for the needs of licensed recruiting agencies. BAIRA is also involved in welfare of migrants overseas. They have launched two insurance schemes: one is for workers before their departure and the other is for their families left behind, through BAIRA Life Insurance Company Limited. BAIRA is also setting up a modern Medical Testing Centre with elaborate facilities for migrants who need to undergo medical tests before leaving the country. Personal connections form a crucial avenue for overseas placement in Bangladesh. Personal connections assisted 62 per cent (3.88 million) of a total of 6.26 million overseas job placements between 1976 and 2008. The growth of migration through personal connections is cumulative. More and more migrants have started taking the services of personal networks

Generally, most prospective migrants hail from 10 This is based on BMET data, but recruiting agencies based in the capital city of Dhaka encounter difficulty in locating prospective migrants who might be suitable for jobs and ready to pay the required fees. Thus, the recruiting agents rely overwhelmingly on a group of middlemen called sub-agents, who act as mediators between a prospective migrant and a licensed recruiting agent. Migrant brokers or what Bangladeshi migrants call these sub-agents "dalal" (broker) or "adambabshahi" (human-trader) are usually former migrant workers living in the Gulf countries for a considerable length of time and have greater access to local recruitment structure and visas.

For an extra fee, these sub-agents help prospective migrants find jobs and help agencies find prospective workers in a timelier fashion. Although the position of sub-agents in the official structure is nominal, they play a critical role in matching the demand for specific labour and the supply of such labour. The sub-agents approach prospective migrants and convince them to take up the offer in the GCC countries. The true hurdle of this job is the sub-agents' ability to earn the trust of prospective migrants. Given the fact that migration can be a few-thousand-dollar project, a prospective migrant from a village prefers to deal with someone who embodies trust such as rural religious, economic and political elites so that they have a local contact to approach in cases of fraud and exploitation.

Sub-agents are generally based in small cities or villages and have good contacts with these elites, if they themselves are

not already elites themselves. Sub-agents assist prospective migrants with a wide range of activities such as paperwork, passports, bank accounts, medical checkups and transportation to the airport. In addition to facilitating the actual migration process, they sometimes vouch to the traditional moneylenders that their potential clients have already secured jobs in the Gulf and therefore are eligible for credit. They can even act as guarantors for some potential migrants who otherwise could not secure loans for migration, transgressing (wrong, suggest surpassing) the role of sub-agents beyond simple matching task.

Regulate transactions among recruiters and between recruiters and employers

It is important to note that the Bangladeshi migration to the Gulf countries is deeply rooted in the social process organized through networks and forged through everyday interpersonal connections (Rahman 2010). It is founded on a social organization infrastructure that includes common bonds of kinship and friendship, which are adopted and transformed through the reciprocity of mass migration. A landless villager in Bangladesh may be poor in financial capital but is often rich in social resources (social capital) inherent in such close-knit connections. The beauty of social capital is that it is convertible into other forms of capital such as financial capital or access to overseas employment. The actual merit of personal connections is that it increases affordability of Gulf migration for those in the social stratum who may not otherwise envision undertaking such a costly venture.

Weeding out unqualified recruiters requires formulating effective regulations to control subagents and brokers. Subagents perform a critical role, and there is a concern among regulators that impeding their operations too much would have a negative impact on deployment figures and drive subagents further underground. Also, current thinking suggests the need to bring subagents, who work almost entirely outside the regulated sector, into the formal market will somehow bring down the recruitment fees. It is important, for regulators to recognize that how migrants fare in the recruitment marketplace is ultimately determined not just by the nature of their relationship with the agencies that recruit them or the employers that hire them, but also by the nature of the relationship between agencies at destination and origin and between the agencies and employers.

1.3 Flying Visa and Free Visa

A working visa arranged through personal networks is called "urro" or a "flying (work) visa" as it flies directly from a migrant broker in the Gulf countries to a prospective migrant in Bangladesh, bypassing local recruiting agencies and their sub-agents. This is different from getting a visa through a recruiting agency. In the recruiting agency-operated recruitment, a sponsor-employer passes the visa to a foreign recruiting agency, which later goes to the Bangladeshi recruiting agency and finally to the prospective migrant.

Apart from flying visa, there is another type of visa, popular among potential Bangladeshi migrants in the Gulf countries, called a "free visa". This type of visa no official category of

visas called “free visas” in the Gulf countries, the term is widely used among migrant communities. Pakistanis and some Indian Muslim migrants call it “azad” (free) visa. This unofficial category of visas allows a potential migrant to enter a GCC country for work under the kafala system, but the sponsor-employer (kafeel) who officially sponsors the migrant does not offer paid work. A migrant on “free visa” is free to find his own job in any sector of the economy although it is illegal to work in other sectors or with a sponsor employer other than one’s own. In other words, a “free visa” is legal but, paradoxically, when a free-visa holder starts working for others, he becomes illegal by law and vulnerable to deportation.

A “free visa” is also obtained through similar procedures described for the personal networks and recruiting agencies earlier. Both migrant brokers and recruiting agents are involved in the trade of free visas in Bangladesh. As there is no legal job available for a free visa holder, a free visa is cheaper than a flying visa. Many migrant brokers do not recommend free visas to their close relatives for fear that they may lose social credibility and respect in their communities of origin in case the free-visa holders do not find gainful employment and encounter deportation. Being for-profit organizations, recruitment agencies dominate the free visa market. Like many work visas and flying visas, free visas also generate kick-back fees for sponsors/kafeels and this has perhaps given birth to such a dubious category of visas in the Gulf. The benefit of a free visa is that the holder can bargain with his labour and get a good deal. However, the trade-off is that if the free visa holder is caught during working hours by the law-enforcement authority, the holder is exposed to deportation. Several Gulf countries have pledged to tackle the issue of free visas and have acted against people who have abused the system to bring in thousands of foreigners and enabled them to stay for a monthly monetary sum.

1.4 Skill Development and Migration

There are several types of training courses in Bangladesh targeted to meeting needs-based employment at home and abroad. Certifications of skills are given from different sources. All are nationally more or less recognized qualifications, but recognition is not the same abroad. In the overseas job market, these certifications are not equally recognized. There is a gap between the training and the demands of overseas employers. In the sector of skill training, due to a lack of accountability and coordination, there is no clear indication of how a qualification awarded by an awarding body compares to other similar certificates.

In the sector of skill training, due to a lack of accountability and coordination, there is no clear indication of how a qualification awarded by an awarding body compares to other similar certificates. One of the major challenges related to the task of winning recognition status for the skills of migrant workers involves achieving common skills assessment and certification systems. These quality assurance mechanisms should be understood and shared by both the origin and destination countries. Skill gaps between Bangladesh and the destination countries must be appropriately defined using common competency standards.

To make overseas employment equitable for migrant workers, it is necessary to provide a means to make their skills and qualifications recognizable.

Many an actor in Bangladesh imparts technical and vocational training aimed at the implementation of skills development. The curriculums, standards, and certifications they provide vary from one actor to another. Therefore, the way these institutions operate is glaringly marked by want of coordination. In fact, the lack of such a coordination mechanism is indicative of a host of deficiencies related to the delivery of adequate technical and vocation training, including:

- 1) The lack of coherent policies;
- 2) The lack of an implementation strategy for the national skill standard;
- 3) The inadequacy of infrastructure and delivery planning at district- and upazilla-level institutes;
- 4) The inadequate capacity among relevant agencies (including key ministries and government agencies);
- 5) The lack of an integrated and regularly updated database (the present database currently being fragmented and out of date); and
- 6) Inadequate linkages with overseas industries and the labour market

The absence of coordination gives birth to the following major problems:

- 1) Duplication of coursework (wastage of resources);
- 2) Skill gapping
- 3) Significant differences in the curriculum and quality of training institutions;
- 4) A mismatch between the demands of employers and the supply of students being taught the appropriate skills; and
- 5) Conflicting standards of certification and inadequate recognition of those certificates in the overseas labour market.

A key challenge is the different skills development and assessment models that are utilized in countries of origin and destination and the lack of labour market information systems. Most of the countries to which workers migrate do not have labour market forecasts available publically. There is also a dearth of information about the immigration procedures of countries of destination, as well as gaps in information about labour laws pertaining to migrant workers.

The worst part of all this process is the mis-use of development money by skill development centers. INGOs and other organizations do fund a lot in sending countries for skills development leading to employment abroad or within the country. In the pretext of employment abroad Skill development centers not only take a huge amount of development fund but also end up charging the workers under different heads which always goes off records and never authorities are bothered to do proper evaluations. The below chart will give a rough idea as to how huge money is made by recruitment agencies in the pretext of Migration through Skill Development.

Balance Sheet : Ethical Recruitment Through Skill Development Centre - A New Business Initiative										
INCOME & EXPENCES TOWARDS SKILL DEVELOPMENT										
INCOME TO SKILL DEVELOPMENT CENTRES					EXPENCES TO SKILL DEVELOPMENT CENTRES					Profit/Yr
Heads	Upfront Fees	1st Month	Total Per Person Per Year	Total For 120 Persons Per Year	Heads	Per Month	Nos	Per Month Expenses	Per Year Expences	
Tuition Fees*	0.00	6,000.00	72,000.00	8,640,000.00	Instructor Salary	15,000.00	6	90,000.00	1,080,000.00	
External Funds**	0.00	4,150.00	49,800.00	5,976,000.00	Cook Salary	4,500.00	2	9,000.00	108,000.00	
Admission Fees	2,500.00		2,500.00	300,000.00	Office Staff	8,000.00	3	24,000.00	288,000.00	
Study Material	5,000.00		5,000.00	600,000.00	Food And Lodging For 120	450,000.00		450,000.00	5,400,000.00	
Exam Fees	15,000.00		15,000.00	1,800,000.00	Other Expenses	5,000.00		5,000.00	60,000.00	
Recreation Etc	5,000.00		5,000.00	600,000.00	Govt Fees Etc	5,000.00		5,000.00	5,000.00	
Total In BDT	27,500.00	10,150.00	149,300.00	17,916,000.00	Total In BDT	583,000.00			6,941,000.00	10,975,000.00
Total In USD	339.51	125.31	1,843.21	221,185.19	Total In USD	7,197.53			85,691.36	134,814.81

* Tuition fees is calculated for 120 person keeping in mind 6 trades and each trade will have 30 students and to be trained for a period of 1year

** Sudoku funds are given by the government for skill development of workers @4150 per month which includes tuition fees and cost of study material for 1year

Any training centers having a curriculum based on 60% Theory and 40% Practical are tuned to meet the requirements of local market and less on international front. Studies on skill development in Nepal, India and Bangladesh from 2014 undoubtedly rejects the claims of those Skill Development centers who claims to train workers as per GCC Construction standards why because no GCC countries have a construction site mandatory standard except on safety and scaffolding. Each company follows the construction standards of their project consultants. So, to get a worker trained to the needs of the GCC market is not that easy and again if he is trained in such a way as to the requirement of a specific GCC employer and unfortunately, he doesn't get thru a placement, he will again become a failure in the local market as those standards on which he is trained will not be of any practical importance in the local market. So, the curriculum should be tailored in such a way that it will give due weightage to his three stages of career development

- (i) His own local market for self-employment
- (ii) His future in labour market of migrating country
- (iii) When he becomes a returnee his ability to reintegrate with his skills to local market conditions for self-sustained employment.

For example, let's take the case of a Mason. In Nepal you can see a single mason finishing the entire works of a house including the wall building, plastering to the lying down of tiles. But in GCC countries they are again divided under certain specialties like Block Mason will only do the wall building, Tiles Mason will only lay down the tiles, Finishing mason will only do finishing, plastering of the wall etc and each having its own set of skills. Once this Mason if he goes back to Nepal after 4yrs or 2yrs of his contract period, then he will have a tough time to get a part time job as a Mason because his expertise will be tuned to a particular section of the job. So there is a lot needs to be tuned to get the best results which not an impossible task but

need the right person to get the monitoring and evaluation done.

1.5 Recruitment Cost

With an apparently endless supply of surplus labour in Bangladesh hoping to work in the Gulf states even with reduced benefits, agencies of these countries have often bargained away workers benefits to secure jobs and stay in business. Agencies in Bangladesh must charge higher fees from potential migrants often to pay competitive commissions to Gulf recruiters. From the early 1970s until the mid-1980s, most sponsor-employers paid airfare, passport and medical costs for prospective overseas migrants. However, by the late 1980s, in addition to recruitment fees most Asian migrants had to handle these charges for employment in the Gulf, causing the rise of recruitment costs over time.

Prospective migrants are required to make some form of upfront payment regardless of the channel of recruitment. A set fee (official and unofficial fees for visa procurement) and other expenses such as passport fees, medical check-ups, government fees (for clearance), insurance, airfare and other transportation costs are some of the major areas of expenses although there are some exceptions. For instance, close relatives (such as brothers or cousins) in network-assisted migration sometimes pay the set fees from their first few months of wages. However, in recruiting agency-assisted migration, a prospective migrant is typically required to pay a full amount of set fees before departure for a destination country. The economic cost of recruitment for a Bangladeshi migrant who seeks employment in the GCC countries is on average USD3,750. This average cost of migration is higher than the cost set by Bangladesh government. The Bangladesh Government sets BDT84,000 (USD1,230) as a maximum recruiting charge for migrants going to the Gulf states except to KSA which is BDT165,000(USD2064).

Government of Bangladesh is yet to fix the rate for Malaysia. Given the average cost of migration, it is obvious that recruiting agencies largely ignore this maximum.

This figure below will give the actual cost of recruitment of a Bangladesh worker.

Figure 1

Table B			
Actual Cost of Low Skilled Worker Recruitment			
Origin Country	US\$	Destination Country	US\$
Variable Costs		Variable Costs	
Internal Travel, Food, Accommodation	50-100	Airfare (one way)	300-350
Subagent commission	50-100	Agency commission	250-450
Total (average)	\$150.00	Total (average)	\$675.00
Fixed Costs		Fixed Costs	
Medical Test	67	Work Visa	82
Orientation	2	Visa attestations	150
Welfare Fund	10	Residency permit	320
Life Insurance	7	Medical Test	30
Finger and Manpower clearance	60	Health Card	30
Sub-Total	\$146.00	Sub-total	\$612.00
Combined total	\$296.00	Combined Total	\$1,287.00
Overall Total		\$1,583.00	

*source from interview of a marketing manager of a recruitment agency

The above calculation of the recruitment cost somehow substantiates the maximum recruitment charges fixed by the Bangladesh government (BDT84,000) to be correct if the air fare and agency commissions are to be collected from the workers. Below figure will give us a better figure as to what is the real migration cost as per the labour market in Bangladesh.

Figure 2

Approximate Cost (in BDT) of Migration Through Illegal Channels		
Destination Country	Range of Migration Cost* (AS OF NOV'2016)	Excess Cost To Government Range
QATAR**	170 000 - 270 000	86 000 - 186 000
KSA***	300 000 - 450 000	135 000 - 285 000
MALAYSIA	120 000 - 230 000	360 000 - 146 000
OMAN	120 000 - 200 000	36 000 - 116 000
KUWAIT	200 000 - 350 000	116 000 - 266 000

* Cost is subject to skill requirement, nature of job, salary, and other benefits.

**Considering the maximum cost ceiling (BDT84,000) fixed by the government.

***Considering the maximum cost ceiling (BDT165,000) fixed by the government.

Source: Key informant interview with a recruitment agency Marketing Manager

78 per cent of recruitment and migration cost, on average, is incurred by intermediaries and other helpers (IOM, 2010). These costs turn out to be burdensome on migrants, especially considering their mode of financing. About 67 per cent 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 per cent), mortgaging land (23 per cent), and/or selling assets such as Jewelry, cattle, trees, or homes (20 per

cent) (IOM, 2010). One of the reasons behind increasing recruitment and migration cost and the exploitation of migrant workers is the unhealthy competition that exists among recruiting agents and individuals who take part in visa trading in GCC countries. Studies beyond doubt have proved that the cost of recruitment is controlled by the sub-agents who never compromise on their share but with the share of the recruitment agencies.

A policy that focuses mainly on banning recruitment fees charged to migrants or keeping them within the cost of provision is not enough.

International labour recruitment and migration costs, as discussed above, are extremely volatile and subject to market forces in destination countries. At present, the labour markets of Saudi Arabia and Kuwait are relatively less open for Bangladeshi workers. Therefore, the cost of recruitment and migration to those countries has escalated over the last few years. Moreover, Migrants get a better access to visit Mecca which makes the recruitment cost to KSA escalate. In fact, recruiting agents, sub-agents, and intermediaries also adjust their charges based on their comparative advantages in accessing a certain market. With so many variables at play, it is difficult to generalize about the specific costs that migrant workers incur using recruiting agents, illegal sub-agents and intermediaries. As of now the volatile market situation in the Bangladesh market keep the cost of recruitment fluctuating because Malaysia and UAE markets may get opened by 2017 which will again lead to a decrease of recruitment fees to other countries.

The fee for intermediaries is excessively high as a kickback regardless of channels of recruitment. Some Bangladeshi recruiting agents and migrant brokers reported the kickback fee of between US\$1,800 and US\$2,500 for each work visa. However, the kickback fee varies depending on the sector of economy. The kickback fees for work in construction sector is reported to be the lowest as it is more demanding and less rewarding, and the service sector is the highest as it is less demanding but more rewarding. The kickback fee, intermediary fee, and sub-agent fee are charged unofficially without receipts, leaving no trace for documentary proof and legal recourse. When the rising cost of migration was discussed with the actors at different levels, they often turned their discussion of unethical behavior towards other actors in the institutional structure. While sub-agents blamed recruiting agencies for corruption, recruiting agencies condemned sub-agents for charging extra commissions and giving false promises, thereby inflating the recruitment cost. Bangladeshi recruiting agents also condemned Gulf recruiting agents for skimming off a great deal of the recruitment costs and vice versa. These different perspectives reveal conflicts and contradictions within the recruitment structure in the Bangladesh-Gulf migration corridor.

An anti-dote for Killer Cost will bring down recruitment cost by 58%

We must examine as to why for a recruitment fees of USD1583 migrant workers are paying USD 3750 in an average. What leads to this exorbitant recruitment fee? If the

above figures had included the sub-agent commission and recruitment agencies commission, then USD2167 has been paid to whom? The only missing cost is the hidden cost per visa that is called the “Killer Cost” or the kickbacks. Why such fees are paid and who allures kickback. The worst scenario is that these kickbacks are being paid by the Migrant workers who ultimately gets a job whereby he is paid a gross USD340 pm. If for just getting recruited, he pays USD3750 with other personal expenses linked to his recruitment the figures go whopping USD4000+. This amount he should manage it from banks or money lenders to whom he pays an interest at 03% to 05%pm at the least.

The figure in the below chart is self-explanatory.

Figure 3

Monthly Expense Sheet Of A Low Skilled Migrant Worker			
Income		Expenses	
Salary	USD 350.00	Food	USD 85.00
		Telephone	USD 25.00
		Personal Expenses	USD 25.00
		Bank Interest pm (3% OF USD.4000)	USD 120.00
Total	USD 350.00	Total	USD 255.00
Savings = USD.95			

*Source Interview of a Migrant Worker In Qatar

Roughly 27% of his salary is what he saves per month compromising all needs of himself and his family members will still be not his saving but pay back as the principal amount. What more is required for a Migrant worker to keep his mouth shut without reacting to the worst abusive conditions in life. Life or death, conditions often make these poor migrants compromise to their own rights and end up in debt bondage lifelong in some worst cases else more than 06 years.

On the contrary if this worker had been recruited Ethically with Zero fees, by the time he would have finished his 2yrs contract he would have saved USD2400 and would have given USD50pm for his family expenses and the best part will be that he will never be debt bonded and so will have contentment to his work by which productivity would have increased 10-fold. It’s a truth that kickback fees end up each poor Migrant to worst living conditions in their home country sometimes even worse than before they were migrated.

The other regulatory challenge is to identify the legitimate ceiling on fees that agents can charge one another and the payments foreign employers must make to their local agents. Recruitment fees in each corridor, sending and receiving countries, should be mutually agreed upon by the respective governments and minimum wages should be made mandatory for all categories of workers. An effective third party auditing should be implemented in each corridor to ensure no abuse to the system is done either by the recruiters or by the recruiting agencies.

Given the cross-border nature of international migration, the regulatory and enforcement efforts of different governments will be fully effective only if host and source countries are equally committed to introducing and enforcing harmonized

rules. The flaws in this system often result in the Recruitment agencies getting away with no harm even if a case is being filed by the trade unions or civil societies. For instance, a Bangladeshi migrant worker has filed a lawsuit, with a Dutch trade union, against FIFA for exploitation in Qatar for the World Cup 2022 preparations whereas the real exploitation started when he paid USD 4000 to the middlemen. Neither the middleman nor the recruitment agency in the sending country was subjected to any legal suits.

A clear mandate should be in force as to what degree a recruiter or recruitment agencies can be held liable for labour abuses.

Recently, many GCC countries had insisted recruitment to be routed through recruitment agencies that are registered with the Local Labour Ministry in the receiving countries. This has resulted in an increase of 5% to 10% of the recruitment fees as these agencies started charging the agencies in sending countries on a per visa basis. There are cases these agencies are paid by the recruiters but still they charge exorbitant fees from the workers. A common justification to this ridiculous act of injustice is that, the migrants if they are not charged will insist to attend interviews for this company only and the recruitment agencies will not be able to get workers for other company who doesn’t pay the recruitment fees.

If regulating the employer-employee relationship falls to recruitment agencies, enforcement of labour standards get biased. At the present trend of migration, where the labour migration flows are increasing and diversifying, without doubt, it reflects one thing that private recruitment agencies will continue to play an even more important role in the future and no one government getting ready to bear the burden of regulating recruitment practices will rise the existing problems to new heights and the poor migrants will continue to be the prey.

2. Kickbacks

Recruiting agencies both in sending and receiving countries lack financial transparency and accountability needed to align agency hiring performance with authorized incentives. In some cases, it’s designed that way, making “kickbacks” a sad yet common (and all too casual) practice resulting in unauthorized incentives and unsanctioned, preferential treatment. Kickbacks in recruiting structures are a common scenario with no effective preventing measures. Early days wine and dine are the 1st mode of kickbacks in recruitment market. What ever happened to those rewards of wine and dine are just now considered as traditional relationship building or modern relationship building and the real kickbacks goes to “benami” bank accounts. What is a kickback? A payment made to someone who has facilitated a business, especially illicitly, by which a recruitment drive is being routed through a recruitment agency. Those payments can be to the facilitator or the recruitment agency to the recruiter directly or through an agency that is based in the receiving countries.

Though the recruitment companies' lack financial transparency when audited but they have solid structured budgets for each activity and their ledgers are quite differently maintained than those normal company account ledgers. The below figure is self-explanatory of how a budget for a modern relationship building of a recruitment company with a recruiter is allocated from the income that is supposed to be generated in the future.

Figure 4

Budget For Relationship Building	
Head	Amount in USD
Dine & Wine (In Country Where The Clients Are Based)	USD 500.00
Flight Ticket (Business Class Ticket From Doha To Dhaka)	USD 2,800.00
3days 5star Hotel Stay In Dhaka	USD 600.00
3 Nights Special Entertainment	USD 800.00
Shopping	USD 900.00
Total	USD 5,600.00

*(Source from a Marketing Manager of a recruitment company)

The below figure shows how profit calculations is done in a recruitment agency after all kickbacks

Figure 5

Profit Calculation Per Visa*			
Table-A	USD	Table - B	USD
Recruitment Fees Charged To Worker	USD 3,750.00	Office Expences	USD 90.00
		Government Mandatory Fees Per Person	USD 146.00
		Airfare One Way	USD 300.00
		Share Per Person For Relationship Building	USD 60.00
		Qatar Agency Recruitment Fee Share	USD 200.00
		Sub Agent Fees	USD 700.00
		Kickback	USD 1,500.00
Total	USD 3,750.00	Total	USD 2,996.00
Profit Per Person **		USD 754.00	

* Calculation is done per person when the requirement is 100 workers & above

** Profit per visa after all expenses

Source from a recruitment manager of a recruitment company in Dhaka

The above two figures substantiates that all unethical recruitments done has been properly accounted in a style quite different from the normal accounting procedures. The profit per person is after all expenses and this makes it clear why Unethical recruitment business is lucrative. Just for instance, if 300 workers are recruited per year a recruitment agency owner makes a profit of USD226, 200 (BDT18, 096,000). Most of the recruitment agencies recruit around 300 – 500 workers per year.

Kickbacks occur when the recruitment companiesand HR Managersagree on unauthorized incentives er in exchange for preferential treatment given to the recruitment companies

who represents candidates submitted for hire.These back dealings create problematic loyalties between recruitment companies and HR managers of the hiring companies that isolate other recruiting partners. It can motivate a recruitment company to influence a HR manager to hire the wrong candidate disrupting normal qualification and relationship building between recruiting managers, agencies, and subordinates.

A direct effect of such kickbacks is not only the exorbitant recruitment fees but also

- 1) Skill gapping
- 2) Excess recruitment of a specific nationality betraying other nationalities
- 3) Low retention rates
- 4) Unsafe working conditions
- 5) Non-issuance of employment documents such as a written job offer and the employment contract;
- 6) Non-issuance of legally valid receipts for payments received from the workers;
- 7) Where written contract is issued, acceptance of the signature of the recruiting agent on the job contract, not the worker;
- 8) Issuance of fake job contracts for jobs that do not exist;
- 9) Contract substitution.
- 10) Confiscation of passport / travel documents

When the agent visits a HR manager onsite, the meeting is private. If you are part of the internal recruiting team, pay attention to patterns of HR manager who push for feedback on specific candidates or wanting special care to be given at worksites etc, who always happened to be owned by a specific agency. That's how you can catch the soft corner part of your HR Manager.

Till now we had been discussing about kickback from recruitment agencies to HR managers and which is being commonly known to the world. But there are even more dangerous and extremely secretive kickbacks in practice. This kickback doesn't follow the traditional channel but instead they vice versa. Here the recruitment agencies are paying kickback to the workers. Sounds very bizarre but it's happening quite often now. Workers are being paid hefty sum of money and are being send to countries where they work undercover and most of them are being used on the Hawala Networks and quite some has been recruited for terrorist activities. Their families back home receive a fixed amount of income monthly but hardly get a chance to get in touch with them. Most of them never come back home too. Recruitment of these kind is commonly done by a middle man directly and involvement of recruitment agencies are negligible.

3. Recruitment and Recession

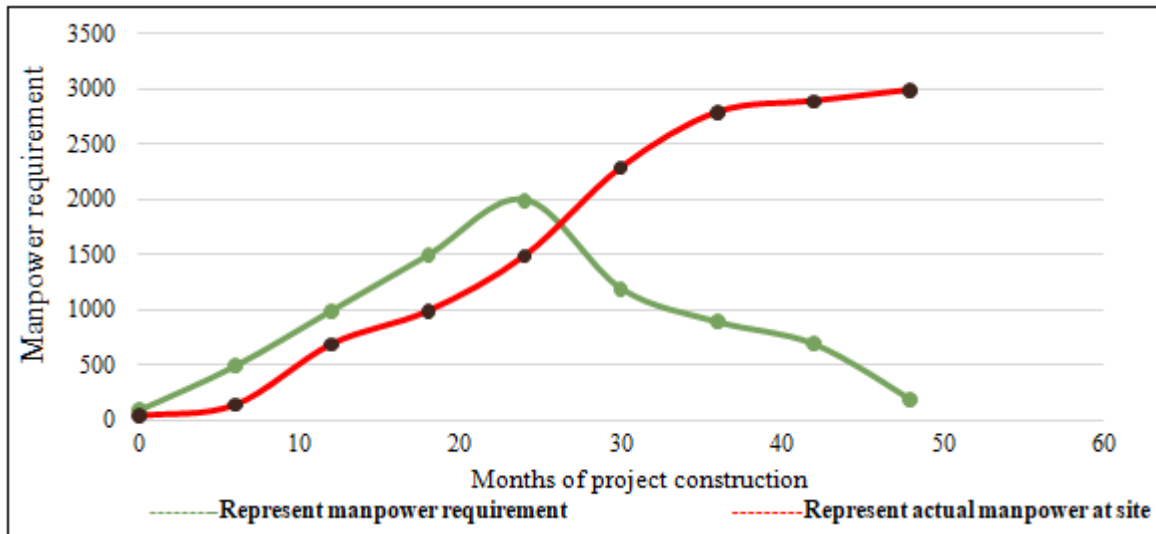
The most obvious impact of the recession on organizations is that employers are recruiting less and making more redundancies. The common reason for such recession has been always pinned to be due to economic slowdown. But what if a wrong recruitment drive is the reason of such economic slowdown resulting in recession. Most of the companies in GCC faced this recession in the past and will face soon too, and the hidden reason is just not the accepted

worldwide reason, economic slowdown, but Wrong Recruitment resulted from wrong planning.

Most of the companies had been following a pattern of adding huge workforce 10 months before the project ends sating huge delay in work progress. One side huge workforce will be recruited without any planning as to where these workforces will be mobilized when the project ends and hiring manpower supply for doing specific jobs on piece rates for which responsibility of poor workmanship rest on the companies. Adding up of workforce during the dyeing days of a project is never a wise act nor a solution. It will increase cost and less productivity contrary to the thinking it will increase productivity due to increase workforce.

If we examine how adding up of workforce in a short period brings in huge financial gains to recruitment agencies and huge loss to the companies, we will tend to understand the depth of corruption in practice. More than corruption the loss of productivity is due to the severe skill gapping that's happening during these periods of recruitments.

For instance, let's take an example as illustrated in the below chart. A company "X" is being awarded a project that needs to be completed and handed over in 48 months. If the maximum workforce required during the peak of the construction is 2000, let see how the graph goes.



If the project had gone well and as per planned, then at end of the project there would have been just 200 workers but now it's 3000 workers. With no new upcoming projects, the company has no other option but to lay down the workers. This is reflected in the market as recession but it's nothing other than pure management problem or I should say vested interest making money out of a situation that could have recovered if planned properly. This is what is one of the worst effects of kickback. Companies spend huge sum for recruitment and recruitment companies makes huge profit in short term.

4. Ethical Recruitment

What does ethical recruitment mean? Adopting an ethical stance is not just about being nice to your clients or always interviewing candidates before submitting their details. It's a holistic approach that cuts right across recruitment organizations, is embedded into the culture and feeds into every aspect of work. Ethical recruitment is good for business, provides a way for recruiters to differentiate themselves in the market, and contributes genuine business benefits to their clients and candidates during tough economic times. Those recruitment agencies that had emerged during late 2000, when there was booming, In the last 18 months or so many agencies have gone. It is hardly surprising; recruitment is a barometer of the economy and as such it took some severe knocks. But the industry that is

emerging the other side of the recession is stronger, more resilient and above all based on ethical practices.

Recruiting has a bad reputation. It is often spoken of as a profession where people stretch the truth, promise what they cannot deliver, and act only in self-interest with candidates. Candidates tell stories about recruiters who were initially friendly and helpful; promising them assistance in negotiating for a position, and who then quickly ignored them when the client did not express interest. Some recruiters tell candidates the offer is "in the mail" or that the hiring manager has decided to make them an offer, only for the candidate to find out later that no offer is coming. This is where importance of Ethical Recruitment comes.

Ethical recruitment is just not set of recruitment guidelines or recruitment on Zero Cost to the workers. There are specific areas in recruiting where most ethical issues arise. These include how a position is represented to a candidate, how candidates are located, and how interviews are conducted. Unlike the medical or legal profession, there are no generally accepted values or ethical guidelines for recruiters. Some organizations have established their own guidelines and may even publish those on their websites. Written guidelines may help us do the right thing, but even without them there are some behaviors that we would call more ethical than others.

The International Organization for Migration (IOM) and BSR are collaborating to improve international labor migration and recruitment practices, specifically through IOM's International Recruitment Integrity System (IRIS), a voluntary fair recruitment framework designed to benefit all stakeholders in the labor migration process. The alliance aims to address the problems that can ensue in the absence of ethical recruitment practices, which pose risks for companies, workers, governments, and society. These include:

- Human rights abuses such as forced labor, human trafficking, and child labor
- The erosion of labor rights and wage rates in countries of destination
- Social, financial, and legal costs to migrant workers, including visa violations and negative local perceptions of migrants
- Disincentives for ethical recruitment due to unfair competition by unscrupulous recruiters
- Poor public perception of brands, sectors, or even countries

But ensuring integrity in migrant labor recruitment is complicated. Recruiters often operate across borders and outside the oversight of brand managers, which means they may not be subject to any regulation or scrutiny.

Ethical Recruitment should have an objective to establish a community of like-minded, socially responsible stakeholders involved in the international recruitment of workers. The end goal is a win-win scenario that makes migrant workers less vulnerable to exploitation, while at the same time making employers less vulnerable to the reputational damage associated with unethical recruitment and abusive treatment of workers.

5. Conclusion

In the context of abusive recruitment practices and their links to trafficking in persons, there can be various actors, such as directors of the recruitment agencies, employees, labour brokers, intermediaries, transporters, final employers, etc., involved in the crime of trafficking in persons. Recruiters and recruitment agencies usually act before the actual exploitation takes place, and can reside in different countries than those where the victim is exploited. In such cases, it may be very hard to prove that recruitment agencies were involved in the crime of trafficking in persons. It is key for destination countries and countries of origin to have open channels of communication to know whether a recruitment agency is part of unethical recruitment.

Effective measures against abusive recruitment practices also require cooperation and coordination at the national level, among all concerned actors, including law enforcement officials, prosecutors, courts, labour inspectors, and immigration and border officials. There should be a clear institutional framework established to allow for clear understanding within a State about which authority is responsible for which actions. Labour inspectorates and labour courts are particularly important entities, as they are on the frontline of detecting and sanctioning recruitment

abuses. It is therefore essential that they function properly, and trainings, awareness-raising, and several other reforms can ensure that they do so.

As an overall recommendation, there is a need for increased understanding that abusive practices of recruiters and recruitment agencies, including charging of recruitment fees, can contribute to and in some cases, constitute the crime of trafficking in persons. Licensing of sub-agents and subsequently getting them accredited to ethical recruitment practices is an important form of regulating the industry. Setting a mechanism for sending and receiving countries to ensure higher standards of good practice.

To manage and protect migrant workers in Bangladesh, a comprehensive set of policy measures and an elaborate institutional structure for recruitment has evolved over the past three decades. Still, enforcement is relatively weak, highlighting the need to complement regulation with strong enforcement. Parallel to the official recruiting process, an informal system has evolved that largely operates underground. Potential migrants also tend to rely on the migrant network system of family and friends to reduce the cost of obtaining overseas employment. Abuse and exploitation of potential migrants by unscrupulous recruitment agencies, both registered and unregistered, continue to occur. This usually takes the form of high recruitment fees, leading workers to borrow excessively and thus falling into heavy debt. Gaps in orientation information enable the abuse.

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