Migrant Workers from Bangladesh

A FACTSHEET

Sunita Basnet and Rajita Dhungana

INTRODUCTION

Migration for employment is a widespread phenomenon in Bangladesh. A large section of the population migrates to various countries in search of work abroad. The Gulf Cooperation Council (GCC) is the primary destination for migrant workers from Bangladesh. Though migration continues to sustain the livelihoods of many households in Bangladesh, Bangladeshi migrant workers face several difficulties throughout the process of migration. A majority of Bangladeshi workers are semi-skilled or unskilled, which pushes them further towards vulnerability while working abroad.

This paper provides a brief overview of the status of employment and unemployment within Bangladesh, including the prevalent wages, benefits, and social security for Bangladeshi migrant workers. Furthermore, the paper delves into the status of labour migration from Bangladesh, including the population size of migrants, recruitment processes, nature of work, skills of workers, and employment conditions.

Migration and migrants

Total out-migration
In 2018, 734,181 Bangladeshi workers migrated to different countries of the world including the GCC and South-east Asian countries.1 In 2018, Saudi Arabia was the top destination for Bangladeshi workers with 257,317 workers having migrated to the country, accounting for 35.5 per cent of the total population of Bangladeshi migrant workers, followed by 175,927 (24 per cent) to Malaysia, and 10 per cent to Qatar.2 While 758,000 Bangladeshis emigrated in search of work in 2016, over one million Bangladeshis emigrated in 2017, thus increasing the outflow of migrants by 33 per cent, making Bangladesh the second-highest country in the region to provide migrant labourers.3 In 2018, the

2 Siddiqui et al. 2019.
number of women leaving Bangladesh was 101,695, a 17 per cent decrease from the 121,925 in 2017.\textsuperscript{4} Saudi Arabia was the most popular migration destination for Bangladeshi women migrants in 2018 with 73,713 workers having migrated to Saudi Arabia, accounting for 72.48 per cent of Bangladesh's total outflow for women, followed by Oman, with 11,034 women migrants (11 per cent) and Jordan with 9,100 (9 per cent) women migrants.\textsuperscript{5}

The United Arab Emirates (UAE), which used to be the next most sought after migration destination after Saudi Arabia, stopped issuing visas to Bangladeshi migrant workers since 2012 citing problems of fake travel documents and forged passports being used by the migrant workers.\textsuperscript{6} The UAE still receives female migrants from Bangladesh for domestic work.\textsuperscript{7}

\textit{Process and cost of recruitment}

The recruitment processes for migrant workers in Bangladesh is undertaken through Bangladesh Overseas Employment and Services Ltd (BOESL), the government-owned recruitment agency, or through other private recruitment agencies approved and licensed by the government.\textsuperscript{8} Apart from the private recruitment agencies, migrant brokers or sub-agents and informal intermediaries, also have a role to play while reaching out to aspiring migrants.\textsuperscript{9} Government-to-Government (G2G), implemented through BMET, and ‘G2G-Plus’ (or G2G+), implemented through select private recruitment agencies, are the other mechanisms currently being explored for some labour destinations like Malaysia.\textsuperscript{10} The Bureau of Manpower, Employment and Training (BMET), which is under the Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE), is responsible for the overall supervision of the recruitment process of migrant workers from registration to smart card issuance.\textsuperscript{11}

The government of Bangladesh has set the maximum cost of recruitment for each destination country and the recruitment agencies are not permitted to charge more than the amount set by the government.\textsuperscript{12} The migration cost set by the government of Bangladesh is Bangladeshi Taka (BDT) 160,000 for Malaysia, BDT 97,780 for Bahrain, BDT 100,780 for Oman and Qatar, BDT 165,000 for Saudi Arabia, BDT 107,780 for the UAE, BDT 106,780 for Kuwait, and BDT 102,780 for Jordan.\textsuperscript{13} In practice, however, the workers are forced to pay more than the set amount and the agent and sub-agents take about 78 per cent of the recruitment cost.\textsuperscript{14}

\begin{itemize}
\item \textsuperscript{4} Siddiqui et al. 2019.
\item \textsuperscript{5} Siddiqui et al. 2019.
\item \textsuperscript{6} Bhuiyan, Humayun Kabir. 2020. 'UAE job market all but shut for over 7 years.' Dhaka Tribune, 14 January 2020. https://www.dhakatribune.com/bangladesh/foreign-affairs/2020/01/14/uae-job-market-all-but-shut-for-over-7-years
\item \textsuperscript{7} Siddiqui et al. 2019.
\item \textsuperscript{9} Rahman 2011.
\item \textsuperscript{12} Barkat, Abdul, Md. Ismail Hossain, and Ehsanul Hoque. 2014. \textit{The cost: causes of and potential redress for high recruitment and migration costs in Bangladesh.} Dhaka: International Labour Organization Country Office for Bangladesh.
\item \textsuperscript{13} BMET 2017, as cited in Imam and Munier 2020.
\item \textsuperscript{14} Barkat, Hossain and Hoque 2014.
\end{itemize}
**Wages of Bangladeshi workers in GCC and Malaysia**

A report suggests that many Bangladeshi migrant workers are unskilled.\(^{15}\) The data on migrant workers, from 2018, shows that over 50 per cent of the migrant workers fall under the category of semi-skilled (16 per cent) and less skilled (39 per cent).\(^{16}\)

Bangladeshi domestic workers earn the lowest wages even though the Kuwaiti government had stipulated 60 dinars (USD 200) as the minimum wage.\(^{17}\) Saudi Arabia’s annual wages for Bangladeshi workers constitute Saudi Arabian Riyal (SAR) 13,322\(^{18}\) for low skilled workers, SAR 1,5036 for entry-level masons, and 20,049 for skilled masons.\(^{19}\) However, the minimum wage that was agreed on the memorandum of understanding (MOU) between the two countries was 800 Riyals, which was lower than 1200 Riyals initially proposed by the Bangladeshi government.\(^{20}\) Likewise, a flat minimum wage [of United Arab Emirates Dirham (AED) 550] was fixed for all the skilled, semi-skilled and unskilled Bangladeshi workers going to the UAE.\(^{21}\) Bangladeshis going to the UAE must receive a monthly salary of AED 600 (USD 163) if they are also provided with food, otherwise, the minimum wages would be AED 750 (USD 204).\(^{22}\) Whereas, the minimum monthly wage has been noted to be between 8,000-9,000 ringgit in a recent agreement between Malaysia and Bangladesh.\(^{23}\) Overall, it has been noted that although 57.2 per cent of the aspiring Bangladeshi migrants expected to make salaries ranging from USD 244 to USD 488 per month, in reality, 62.7 per cent of the workers earned a salary ranging from USD 61 to USD 244.\(^{24}\)

**Remittance to Bangladesh**

Bangladesh received USD 10.4 billion in the first eight months of 2019, about 15.1 per cent of which accounted for remittance from GCC countries and 20.9 per cent from Saudi Arabia.\(^{25}\) According to Bangladesh Bank, Bangladeshi migrants remitted USD 15.54 billion in 2018. The highest amount of remittance was received from Saudi Arabia (18.14 per cent) followed by the UAE (15.64 per cent), the USA (12.23 per cent), Kuwait (8.40 per cent), Malaysia (7.53 per cent) and the UK (7.10 per cent).\(^{26}\)

---

16 Siddiqui et al. 2019.
22 World Bank 2018.
24 World Bank 2018.

---
Injuries and deaths of migrant workers

The data from 2005 to 2017 (till November) shows that Bangladesh received 33,112 dead bodies.\textsuperscript{27} The adverse working environment, excessive workload, poor living conditions, heart attack and stroke caused by mental stress were the causes behind 94 per cent of the deaths. Accidents, suicide and murder are also some of the major causes of deaths of the migrant workers. At least eight to ten bodies are sent to Bangladesh daily.\textsuperscript{28}

Compensation received by migrant workers

The Bangladesh Labour Act 2006 ensures the right to receive compensation for workers in the cases of injuries and deaths while working in the industry/factory.\textsuperscript{29} Similarly, the Wage Earners’ Welfare Fund Rules 2002, Rule 6, provides allocation of money for the welfare of Bangladeshi migrant workers. Rule 7 of the 2002 Rules describes the areas in which money from the Fund can be spent for the welfare of migrant workers.\textsuperscript{30} The fund stipulates that every deceased Bangladeshi migrant worker receives an amount of BDT 35,000 (USD 450) for funeral expenses and an additional amount of BDT 300,000 irrespective of whether the death was natural or caused by an accident. These facilities are provided, irrespective of the worker’s legal status in the country of employment.\textsuperscript{31} Similarly, scholarships are also provided to the children of migrant workers who pass 5th, 8th, 10th and 12\textsuperscript{th} grade with good results.\textsuperscript{32}

Furthermore, the Welfare Branch of the Bureau of Manpower, Employment and Training (BMET) assists in the repatriation of stranded migrant workers and those who die overseas and assists their families in the collection of owed salaries or remittances. In 2011, BMET assisted the heirs of 112 deceased migrant workers in collecting the compensation of about USD 200,000.\textsuperscript{33}

Status of bilateral agreements with destination countries

Bangladesh signed bilateral agreements with Kuwait (in 2000) and Qatar (in 1998 and 2008) and MoU with Iraq (2013), South Korea (in 2007), the UAE (in 2007), Oman (in 2008), Libya (in 2008), Malaysia (in 2003, 2006, and 2012), Jordan (in 2012), and the Maldives (in 2012).\textsuperscript{34} In 2016, Malaysia also signed an MOU with the Bangladesh government, under the Government-to-Government (G2G) Plus system\textsuperscript{35} to eliminate fraudulent recruitment processes.\textsuperscript{36}

\textsuperscript{28} Chaity 2017.
\textsuperscript{30} United Nations 2016.
\textsuperscript{31} United Nations 2016.
\textsuperscript{32} United Nations 2016.
Employment and workers

Economic growth rate in the country
The Gross Domestic Product (GDP) in Bangladesh increased to 7.90 per cent in the FY 2018 with industry accounting for 12.1 per cent (10.2 per cent in 2017) and manufacturing 13.4 per cent (11 per cent in 2017). The percentage share of services went down to 6.3 per cent (6.7 per cent in 2017) while that of agriculture increased to 4.2 per cent (3 per cent in 2017).37 Bangladesh is among the five fastest-growing economies of the world, despite insufficient private sector investment.38

Employment and unemployment
Bangladesh’s labour force participation rate increased to 58.72 per cent in December 2018.39 According to the Bangladesh Bureau of Statistics (2017), of the total population of 158.5 million, about 106.1 million people belonged to the working-age population. In the same year, the labour force participation rate of the population aged 15 and above stood at 58.5 per cent (59.5 million). On the contrary, an estimated 2.6 million people were unemployed, with the unemployment rate being 4.2 per cent of the labour force in 2017. Only 13.8 per cent of those employed were in formal employment, and the rest (86.2 per cent) were in informal. Only 4.6 per cent of all employed females were engaged in formal employment compared to 17.7 per cent for their male counterparts.40

Status of informal and formal employment and the future of work
According to the Bangladesh Bureau of Statistics (2017), 2.6 million people were unemployed and only 13.8 per cent of those employed were in formal employment. As per the Labour Force Survey of 2010, the informal economy in Bangladesh accounts for 87 per cent of the labour force, and includes wage labourers, self-employed persons, unpaid family labourers, piece-rate workers, and other hired labourers.41 The agricultural sector had the highest rate of informal employment rate (97.9 per cent), followed by the industrial sector (90.0 per cent) and service sector (70.6 per cent). Approximately 97 per cent of all employed females in rural areas were involved in informal employment (85.9 per cent for males) compared to 90.6 per cent in the urban areas (73.6 per cent for males). At the national level, only 4.6 per cent of all employed females were engaged in formal employment compared to 17.7 per cent in the case of their male counterparts.42

The informal employment rate in Bangladesh in 2000 was 75.2 per cent of the labour force compared to the formal employment rate of 24.8 per cent. The number increased to 86.2 per cent for the informal and decreased to 13.8 per cent for the formal by 2015-16 (See annex 1).43

Bangladesh’s major informal employment in 2015-16 was in agriculture (48.5 per cent), followed by services (30.2 per cent) and industry (21.3 per cent). People who shifted from the agricultural sector were mostly low skilled and less-educated workers, and could only secure employment in the urban

---

informal sector. People in formal employment earn, on average, between 28.1 per cent and 62.9 per cent more than those in informal employment.\textsuperscript{44}

\textit{Working conditions in Bangladesh}

As per Section 201 of the Bangladesh Labour Law 2006, the working hours should not exceed 48 hours per week (with eight hours a day), except under in exceptional circumstances, where the maximum number of hours could be up to 60. Despite the restrictions stipulated in the labour law, 62 per cent of Bangladeshis workers in the ready-made garment sector work at least 12 or more hours a day.\textsuperscript{45} The national minimum wage is set at BDT 1500, which is equivalent to USD 177 (See annex 2). The government has also specified a maximum of 5.5 working days per week.\textsuperscript{46} In addition, overtime wage should be 1.5 times the normal hourly wage rate.\textsuperscript{47}

\textit{Ratification of ILO Conventions}

Bangladesh has ratified seven out of eight fundamental International Labour Organization (ILO) Conventions,\textsuperscript{48} which include the Forced Labour Convention, 1930 (No. 29); the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); the Right to Organise and Collective Bargaining Convention, 1949 (No. 98); the Equal Remuneration Convention, 1951 (No. 100); the Abolition of Forced Labour Convention, 1957 (No. 105); the Discrimination (Employment and Occupation) Convention, 1958 (No. 111); and the Worst Forms of Child Labour Convention, 1999 (No. 182). Similarly, Bangladesh has ratified two governance-related conventions including the Labour Inspection Convention, 1947 (No. 81); and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).

Bangladesh is also party to 26 technical conventions, namely: the Hours of Work (Industry) Convention, 1919 (No. 1); the Night Work (Women) Convention, 1919 (No. 4); the Night Work of Young Persons (Industry) Convention, 1919 (No. 6); the Right of Association (Agriculture) Convention, 1921 (No. 11); the Weekly Rest (Industry) Convention, 1921 (No. 14); the Minimum Age (Trimmers and Stokers) Convention, 1921 (No. 15); and the Medical Examination of Young Persons (Sea) Convention, 1921 (No. 16).

\textsuperscript{44} Rahman, Bhattacharya and Al-Hasan 2018.
\textsuperscript{46} According to the Labour Act 2006, the monthly minimum wage is determined based on the working hours per week. Information is taken from the Statistical Yearbook of Bangladesh 2010. (See: https://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Bangladesh-WORKING-CONDITIONS.html#ixzz60Y9Q0TP3)
\textsuperscript{47} Information is taken from the Statistical Yearbook of Bangladesh 2010. (See: https://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Bangladesh-WORKING-CONDITIONS.html#ixzz60Y9Q0TP3
REFERENCES


Bhuiyan, Humayun Kabir. 2020. ‘UAE job market all but shut for over 7 years.’ *Dhaka Tribune,* 14 January 2020. https://www.dhakatribune.com/bangladesh/foreign-affairs/2020/01/14/uae-job-market-all-but-shut-for-over-7-years


ILO, Ministry of Labour and Employment, Government of Bangladesh, Bangladesh Employers’
Federation (BEF), and National Coordination Committee on Workers Education (NCCWE).
https://
www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/
wcms_651961.pdf

Kader, Binsal Abdul. 2011. ‘Bangladesh to increase minimum wage of expat workers.’ Gulf News,

Working Paper No. 132 – 6 September 2011, Institute of South Asian Studies, National University
Singapore.

on Inclusive Growth: The role of the informal sector in inclusive growth a state of knowledge study from policy
informal-sector-in-inclusive-growth.pdf

Siddiqui, Tasneem, Marina Sultan, Rabeya Sultan, and Sanjida Akhter. 2019. Labour Migration From
Bangladesh 2018: Achievements and Challenges. Dhaka: Refugee and Migratory Movements Research
RMMRU.pdf

Construction Sector. City & Guilds and IOM. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-
bangkok/---sro-new_delhi/documents/publication/wcms_564885.pdf

tradingeconomics.com/bangladesh/gdp-growth-annual

SelSelfServices/FilesHandler.ashx?enc=6QkG1d%2FPPrIACqhKb7yhirsdVpN%2BCQ%2FkCRpc1Vlg7EInYuhT8.hYtnG0JiZQyt8EbfRtdax3T79wC
ZFEjtrRd93qyZjKT2bXD%2FkKdtxwOzOX8jMnTGByEyG1VDxKt%2Fk6I

Wickramasekara, Piyasiri. 2018. Good Practices and Provisions in Multilateral and Bilateral Labor Agreements
wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms_638923.
pdf

World Bank. 2018. Institutional assessment of migration systems in Bangladesh: initial findings meant to inform
future areas for Bank support on policy reforms and capacity building. Washington, D.C.: World Bank
of-migration-systems-in-Bangladesh-initial-findings-meant-to-inform-future-areas-for-Bank-
support-on-policy-reforms-and-capacity-building

bangladesh-development-update-regulatory-predictability-can-sustain-high-growth

www.dhakatribune.com/opinion/op-ed/2018/10/13/how-many-hours-should-people-work
**Annex 1: Share of female and male employment at rural, urban and national level in Bangladesh**

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th></th>
<th></th>
<th>Urban</th>
<th></th>
<th></th>
<th>National</th>
<th></th>
<th></th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M (in %)</td>
<td>F (in %)</td>
<td>Total (in %)</td>
<td>Number</td>
<td>M (in %)</td>
<td>F (in %)</td>
<td>Total (in %)</td>
<td>Number</td>
<td>M (in %)</td>
<td>F (in %)</td>
</tr>
<tr>
<td>Formal</td>
<td>91.2</td>
<td>8.8</td>
<td>100</td>
<td>4.6</td>
<td>88.5</td>
<td>11.5</td>
<td>100</td>
<td>3.6</td>
<td>90</td>
<td>10</td>
</tr>
<tr>
<td>Informal</td>
<td>66.3</td>
<td>33.7</td>
<td>100</td>
<td>38.4</td>
<td>68.9</td>
<td>31.1</td>
<td>100</td>
<td>12.9</td>
<td>67</td>
<td>33</td>
</tr>
</tbody>
</table>

Note: Numbers are in millions.

**Annex 2: Minimum wage in Bangladesh**

<table>
<thead>
<tr>
<th>Bangladesh</th>
<th>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</th>
<th>BDT per day</th>
<th>BDT per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh - National Minimum Wage</td>
<td>-</td>
<td>1,500.00</td>
<td></td>
</tr>
<tr>
<td>Dhaka - Ready Made Garment - All workers</td>
<td>Minimum wage with effect from Dec 01, 2018 Minimum Wages - last checked - Jan 22, 2018</td>
<td>-</td>
<td>8,000.00</td>
</tr>
<tr>
<td>Dhaka - Cotton Textile Industry - Skilled workers</td>
<td>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</td>
<td>248.17</td>
<td>-</td>
</tr>
<tr>
<td>Dhaka - Cotton Textile Industry - Unskilled workers</td>
<td>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</td>
<td>176.25</td>
<td>-</td>
</tr>
<tr>
<td>Dhaka - Jute Textile Industry - Skilled workers</td>
<td>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</td>
<td>247.50</td>
<td>-</td>
</tr>
<tr>
<td>Dhaka - Jute Textile Industry Unskilled workers</td>
<td>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</td>
<td>165.33</td>
<td>-</td>
</tr>
<tr>
<td>Dhaka - Engineering Industry - Skilled workers</td>
<td>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</td>
<td>350.00</td>
<td>-</td>
</tr>
<tr>
<td>Dhaka - Engineering Industry - Unskilled workers</td>
<td>Minimum wage with effect from Dec 01, 2013 Minimum Wages - last checked - Dec 01, 2018</td>
<td>232.00</td>
<td>-</td>
</tr>
</tbody>
</table>
