Labor migration presents both challenges and opportunities in today’s global world. As the scale, scope, and complexity of the phenomenon have grown, states and other stakeholders have become aware of these challenges and opportunities with the growing realization that economic, social, and cultural benefits can be realized and negative consequences can be minimized.

According to the World Bank’s *Migration and Remittances Factbook, 2008*, the global remittance flow has increased phenomenally over the past three and a half decades. From US$2 billion in 1970, it increased to US$131.5 billion by 2000 and had reached US$317.7 billion in 2007, of which US$239.7 billion went to the developing countries. These figures do not reflect the unrecorded flow through unofficial channels at the global level that may account for an additional 50 percent (World Bank 2008, 17).

Studies have compared the importance of remittances to the economy of the receiving countries with foreign aid, private capital flow, and foreign direct investment (FDI). The findings discovered that remittances by migrants to developing economies (estimated at US$150 billion per year) are three times the amount provided through official development
assistance (ODA) and that migrants contribute to development and poverty reduction through remittances and investment of their skills. When compared with FDI to these countries, remittances account for more than half of the total flow. In addition, remittances were found to be more stable than private capital flows and less subject to changing economic cycles, and because they are unilateral transfers, they do not create liabilities for the receivers.

Recognizing international migration as the top global policy agenda, on December 2003 the secretary general of the United Nations encouraged a Core Group of States to establish the Global Commission on International Migration with the objective of providing a framework for the formulation of a coherent, comprehensive and global response to the issue of global migration. In 2005 the Commission presented its report, which recognized that while globalization provides millions of women, men, and children with better opportunities in life, it has also brought about disparities in the standard of living and level of human security available to people in different parts of the world. On the whole, the Commission concluded that the international community has failed to capitalize on opportunities and meet the challenges associated with international migration.

Some of the observations made by the Commission are as follows:

- There is a lack of capacity in the less prosperous regions of the world, particularly at the official level, to formulate and implement effective migration policies. There is a need for more professional training, better knowledge of migration issues, institutions, and laws, for a better understanding of the way in which migration and other issues affect each other.
- Countries often face difficulties in formulating a coherent migration policy because important decisions taken in development matters, trade, and the labor market are not linked to their impact on labor migration.
- Interstate cooperation and consultation in formulating migration policies are lacking, even though migration is a transnational issue that requires cooperation among states at the global, regional, and sub-regional level.
- Multilateral international organization working in the field of migration usually work in a disconnected manner and there is therefore a strong need for them to cooperate and coordinate their policies with each other (Global Commission on International Migration 2005, 2–3).
1. SOUTH ASIAN LABOR MIGRATION

According to the World Bank’s *Migration and Remittances Factbook, 2008*, in 2007, South Asia received US$43.8 billion in remittances from its migrant workers working throughout the world. When unofficial remittances (estimated) are combined, the total is believed to be double that amount. In Pakistan, remittances increased six fold from just over US$1 billion in 2000 to US$6.1 billion in 2007; in Bangladesh, it increased from US$1.9 to US$6.4 billion; in India, it increased from US$12.89 to US$27 billion; in Nepal, it increased phenomenally from US$111 million to US$1.6 billion; and in Sri Lanka, it increased from US$1.16 billion to 2.7 billion (Maimbo et al. 2005; World Bank 2008).

India is the largest remittance-receiving country in the world, with Pakistan (fifth) and Bangladesh (seventh) not far behind. Remittances alone represent 3.10 percent of India’s gross domestic product (GDP), which is a sharp increase from 0.7 percent in 1990–91. Remittances were higher than revenues from India’s software export (US$23.6 billion in 2005–06), more than the country’s expenditure on education, and more than double the combined state and federal government’s expenditures on health care (Chishti 2007, 2–3). In comparison to the total foreign exchange earnings from garment exports, a major foreign exchange earner for Sri Lanka, remittance income rose from 42 percent in 2000 to 69 percent in 2005 (Ranasinghe 2007).

In addition to financial benefits to the sending countries, migration provides opportunities to build their human, capital, and social assets. Returning migrants usually gain new skills during employment abroad through what is today recognized as beneficial transfer of know-how and competencies called “brain gain.” Other contributions can be less tangible than remittances but not necessarily less relevant. Migrants can play an important role in their home country by strengthening political debate, strengthening the role of civil society, encouraging education for non-migrants, and emancipating women and minority groups (de Hass 2006).

2. DESTINATION OF SOUTH ASIAN LABOR MIGRATIONS AND SOME KEY ISSUES

The three types of migration from and within South Asia are (a) permanent migration to Europe, Australia, and North America; (b) contract labor
migration to the Gulf States and Southeast Asia; and (c) cross-border and seasonal migration within the region. South Asian countries have not been alert in addressing the complex issues involving individuals, household, community, private sector, and the state. A burgeoning labor recruitment industry in the region charges high emigration rates and has been criticized for taking advantage of innocent laborers who take huge loans or use their life’s savings to go abroad. Moreover, there is a paucity of reliable data in the region; many movements of people go unrecorded and the available data may not be disaggregated by gender and skills. The method of data collection varies across countries, and the actual number of laborers going abroad far exceeds the official estimates.

2.1 Remittances: Official versus Unofficial Figures

Official figures on migration are gross underestimations, as a significant proportion of intraregional migration occurs through informal or unauthorized channels and thus is not recorded. High remittance returns (Siddqui 2007a) are difficult to record properly because a significant portion is sent through informal channels. Informal channels are known by such various names as “alternative remittance systems,” “ethnic banking,” feich’ien (China), hundi (Pakistan and Bangladesh), hawala (India and the Middle East), padala (Philippines), and hui kuan (Hong Kong, China).

Of the US$39.8 billion in remittances received by South Asia in 2006, a study by the Refugee and Migratory Movement Research Unit study suggests that 40 percent came through the formal channel, with the hundi accounting for another 40 percent. This is followed by hand-carrying of remittance by the workers themselves, which comes to 8 percent, and remittances brought over by friends and relatives accounting for another 4 percent. The use of informal channels to send monies by Nepali workers in India is much higher than the regional average. Out of the Rs 12 billion that come to Nepal from India, 99 percent come through the unofficial channel (Pyakurel 2007).

2.2 Destination of South Asian Migrant Workers

The Gulf States remain the primary destination of South Asian migrant laborers, followed by the Southeast Asian countries. This is true even for India, which has substantial advantage in sending people with technical skills and professional expertise to the United States and other industrialized nations. The outflow of migrant labor from India to the
Middle East increased at a phenomenal rate in the late 1970s and reached a peak in 1981. From 1979 to 1982, on average, nearly 234,064 Indians migrated annually as laborers to the area, but during 1983 to 1990, there was a significant decline to an average migration of 155,401 per year, largely because of the oil glut of the early 1980s. The first Gulf War of 1990 forced nearly 160,000 Indians to return home abruptly. But between 1992 and 2001, migration to the region was nearly 360,000 per year, thus surpassing the “Gulf boom” of the late 1970s and early 1980s. Similarly, migration from India to industrialized countries grew steadily between 1950 and 2000. The flow was particularly impressive during 1990s, especially that of information technology (IT) professionals to original destinations like Canada and the United States, and newer destinations such as Australia, Germany, Japan, and Malaysia. The average inflows of Indian immigrants to these destinations increased from around 10,300 persons per year in the 1950s to around 60,000 per year during the 1990s (Srivastava and Sasikumar 2003, 16).

2.3 Level of Skills and Age-group of Migrant Workers

India’s focus is on skilled migration, whereas Sri Lanka’s female laborers constitute the bulk of those going abroad for work. Migrant laborers from Pakistan and Bangladesh are essentially unskilled workers, as are workers from Nepal, which was a relatively late entrant into this labor market. The average age of migrants is between 20 and 35 years, which represents the most productive age-group of workers.

A major challenge facing the region is the demographic change in which one-third of the people are below the age of 20 years. The next 15 to 20 years will be critical due to the “youth bulge” (ages 15 to 24) that are becoming evident in the region. World history shows that when a country’s population of youth goes up by 17 percent, political instability of one kind or the other always emerges (Subedi 2007).

2.4 Role of Women Migrant Workers

Globally, women account for about half of the total migrant workers. The contribution of women to the migrant labor force is an issue that has been largely overlooked or neglected in the region. Poverty is usually the main, although not the sole, cause for migration of women. Recent trends suggest that more women workers will go abroad in the future, despite the ban on women laborers going abroad from Nepal (until recently) and
Bangladesh. Women migrants who go to work abroad from countries where restrictions exist usually face “double jeopardy” in terms of violation of their labor rights in both the sending and receiving countries. Sending countries usually treat these women as irregular migrants and therefore they are unrecognized as a labor force and remain unprotected; in the receiving countries, these women are denied their labor rights in the absence of multilateral and bilateral labor agreements. As irregular migrants, women end up paying more than men to go abroad, because they need to rely more on unlicensed brokers and pay excesses to other unscrupulous elements to circumvent official regulations in the sending and transit countries (Bhadra 2007).

Studies suggest that women are better managers of their resources than men. They save more money than men from their earnings and use it more effectively in areas that have a direct bearing on poverty reduction (Bhadra 2007; Joshi 2007).

2.5 Changing Nature of the Labor Market

The labor market is not static and indigenization takes place on a regular basis. Given the fluid nature of the labor market, sending countries need to monitor developments and take appropriate measure if they are to gain from labor migration. In 2001–02, Nepali laborers were accepted by Malaysia and the Republic of Korea only after Bangladeshi laborers were rejected.

There is also a trend in some of the Middle Eastern states toward “nativization” and “Arabization” of the labor market. The United Arab Emirates (UAE) has adopted policies that would favor integrating more nationals into the labor market, which is now occupied by foreigners.

2.6 Generational Shift in the Use of Remittances

The shift in the use of remittances can have significant policy implications for the sending countries. Nepal’s case shows that the first generation of migrant laborers used the remittance to buy land and invest money in their place of origin, while the second generation was more prone to invest their money in towns and urban areas close to their homes. The third generation moved outward and invested their income in big cities and the capital. In the future, remittances coming to Nepal might get transferred into mortgage economy in the West, with the home country missing out on the potential benefits (Dixit 2007), especially in case of British Gurkhas who have been offered permanent residency in the United Kingdom.
There is, however, a caveat to this projection of the generational shift in migration if we consider it as cyclical rather than transitional. In 2001, the largest source of remittance coming to India was from the United States, which suggests that instead of remittance converting perpetually into the mortgage economy; it may revert to the home country of the migrants. The outcome would depend on a number of factors, including what the economy in the home country holds for these migrants (Dubey 2007a).

3. PROBLEMS FACED BY MIGRANT WORKERS

Migrant workers are often subjected to neglect, harassment, and violation of rights in both the sending and receiving countries, because sending states are reluctant to address the issue seriously for fear of labor market losses. These states make inadequate investments to develop institutional structures to look after the welfare of migrant workers and establish an effective regulatory framework to check for corruption and exploitation. These states often freeload, benefiting at the cost of the migrant workers who invest their resources to bring financial benefits and their newly acquired skills to their country of origin. In the receiving countries, embassies of the South Asian countries are not proactive in dealing with complaints or are ill-equipped to handle them because of a lack of adequate staff and resources. The real issue is the transparency and accountability in the sending country itself.

3.1 Violations of the Rights of the Migrant Workers

Violations of the rights of migrant laborers start at home by agents and recruitment agencies in the sending countries and continue in the receiving countries. The question of migrant workers’ access to justice systems is a matter of serious concern. A United Nations Development Fund for Women (UNIFEM) study on Nepal found that the rights-based approach was missing and women, in particular, were viewed as sexual symbols. This may be the common scenario in the South Asian justice system as well (Joshi 2007).

Migrant workers do not have the mechanisms to protect their interest in the receiving countries because there is no scope for bargaining between employer and employee, including the right to form unions, particularly in the Middle East. Hardly any of the South Asian states have prepared
for the rehabilitation of workers, although governments are beginning to think along these lines.

### 3.2 Limited Role of Trade Unions in South Asia

In most of the countries in South Asia, there is less and less concern over labor rights as trade unions are usually viewed as trouble shooters and receive negligible attention of the concerned authorities. Trade unions are often close to political parties, have a narrow membership base, function with obsolete strategies influenced by over-age leaders on the basis of personal power-oriented leadership, and hold confrontationist attitudes. Moreover, in many South Asian countries, laws do not cover those unable to prove their status as workers. For example, India has about 200 laws to cover workers, but 90 percent of workers are in the informal sector and are not protected because they lack documentation that could prove their status as workers or employees. Therefore, the informal migrants remain legally unprotected. Government policies regarding worker-related programs and activities are directed at workers in the organized sector. At the regional level, trade unions have failed to make collective efforts to see that labor issues are included in the South Asian Association for Regional Cooperation (SAARC) agenda and other regional activities. The South Asia Regional Trade Union Congress (SARTUC), the only trade union at the regional level, exists more on paper than in practice (Sharma 2007; Sinha 2007).

The mind-set of governments in both the sending and receiving countries is an additional problem source. Sending governments usually see migration as “manpower export,” thus treating the issue like any other commodity to be exported. Migration is driven by “pull” and “push” factors, in which the “pull” factor is determined by the needs of the marketplace. Another misused concept is “illegal migrants.” Human beings cannot be “exported” as commodities or considered “illegal.”

### 4. CONTRIBUTION OF REMITTANCES IN POVERTY ALLEVIATION AND EMPLOYMENT

In 2006 the United Nations Population Fund (UNFPA) looked at 74 low- and middle-income developing countries and found that there is statistically significant correlation between remittances and decline in
poverty. It noted that a 10 percent increase in the share of remittance in a country’s GDP can lead to a 1.2 percent reduction in poverty. Although the methodology used to reach the findings in the study is somewhat controversial, the positive impact of remittance on employment and poverty alleviation is widely accepted (World Bank 2005).

4.1 Remittances and Poverty Alleviation

Comparable data on the relationship between migrant remittance and poverty alleviation for South Asia are not available, but the World Bank Global Economic Perspective Report (2006) notes that remittance inflow has made it possible for Bangladesh to cut poverty by 6 percent. In Nepal, a study done by the Nepal Living Standard Survey found that the contribution of remittances in reducing poverty between 1996 and 2003 was 11 percent. Other contributors included the increase in agricultural wages, an increase in nonfarm activities, and some reduction in the dependency ratio. Remittances not only help to reduce poverty, but also reduce the depth and severity of poverty in Nepal and other countries.

One study on Pakistan found that remittances have a positive and significant effect on the accumulation of two assets in rural Pakistan: irrigated and rain-fed land. It was found that, as a rule, Pakistani migrants avoid investing in areas that they do not know (such as business) in favor of committing their resources to what they know best (namely, land) (Adams 1998). Other empirical studies on Pakistan indicate that incomes of migrant workers were five to eight times higher than what they would have earned in their home country, and they remitted on average 78 percent of their earnings (Burney 1998; Kazi 1998; Siddiqui and Kemal 2007).

4.2 Migration and Inequality

The general theory of migration holds that the poorest of the poor do not migrate. It is only those who have access to resources and information who migrate. First-generation migrants are therefore always from a relatively well-to-do background. Only when they go through their social network do some poorer people migrate. The new generation theory of migration based on social network focuses on information. This theory suggests that whoever has information will migrate, while money becomes secondary (Black 2003; Siddqui 2007a).

It is generally accepted that “inequality is clearly a major driver of migration.” International migration is a powerful symbol of inequality through which
millions of workers and their families move each year across borders and continents seeking to lessen the gap between their own position and those perceived to be economically better off. The real debate is not about the effect of inequality on migration, but the effect of migration on inequality. Examples can be found of migration both increasing and decreasing inequality in various parts of the world. The final conclusion usually depends on the criteria that are used to evaluate the impact of migration on inequality. These criteria could depend on the *scale of analysis* because circumstances that affect equality within the household may be different within a village or between and within regions or countries. *Location* is another important factor because in destination countries migrants may not have equal access to rights compared with local workers. In places of origin, the selectivity of migrants, the sending of remittances, and the social change that is brought about also might affect socioeconomic inequality. The *time period* is another significant factor because inequality is likely to change over time, because of the effect of networks that reduce the costs of migration and thus extend the opportunity to migrate to a wide group of people. And finally, the *type of inequality* could be significant because, other than economic inequality (income and wealth levels), other types of inequality are involved, including inequality between men and women, between generations, or between different ethnic and caste groups (DRCMGP 2006, 2).

Analysis of the impact of migration at the village level in Bangladesh indicates that there is a multidimensional aspect to migration and inequality. A study of the movement of laborers from Talukpur, a village in Sylhet district, to the United Kingdom found that international migration can increase inequalities within villages of origin. Well-to-do individuals and villages that have better access to long-distance migration are able to improve their position in relation to the poor. Migration becomes the pole around which inequalities are clustered because it brings not only economic inequalities, but also broader social and cultural cleavages. Conversely, the study also shows that although inequality has increased between well-to-do households and the very poor, it has decreased between the traditionally rich people in the village and the many poorer households who now have opportunities to earn money abroad. In Talukpur, migration has not only brought money to the community but also brought considerable changes in landownership and has altered the political, social, and economic power base of the area (Gardner 1995, quoted in DRCMGP 2006, 2).

When examining the relationship between migration and inequality, the key words to remember are *access* and *opportunity*. Where poor people have greater choice in terms of migration, the net effect on inequality is likely to be positive. Similarly, the more opportunities there are for
migrants, the more beneficial the results. In fact, restrictions on migration can increase inequality, as has been the case of the unskilled female migrants from Bangladesh who have been forced to use “illegal” methods to migrate and thus become vulnerable to exploitation and subject to gender income inequality (Gardner 1995).

4.3 Multiplier Effects of Remittances

When looking at remittances, one must remember that poverty reduction cannot be linked only to individual household cases, because poverty reduction takes place through the uses of remittances by states and individuals. Remittances come in foreign exchange, and states use that foreign exchange in different ways that lead to poverty reduction. Individuals use their remittances, which creates a multiplier effect that may lead to income generation within the society, leading to poverty alleviation in some corners, but not particularly for the family that has migrated. What individuals receive is in local currency and what the state keeps is in foreign exchange. Thus, among other things, a poverty reduction scenario takes place through (a) debt servicing and import substitution, which comes through the availability of foreign exchange—provided that it is through official sources—and results in the accretion in the country’s foreign exchange reserve and (b) the way the country uses the money for development (Siddqui 2007b).

The notion that remittances do not result in reducing poverty if they are spent on affluent consumption has been belied by recent development theory, particularly by Amartya Sen. Sen has defined development not in terms of creating goods that will produce goods, but in terms of widening individual opportunities and multiplying freedoms that individuals will enjoy. One can enjoy no greater freedom than being able to eat today, especially when one was not able to do so yesterday. Development happens when a family is able to spend more on food, because it widens opportunity and prevents deprivation. If a family is in a position to spend 40 percent of its income on food, then it leads to a reduction in poverty because it has a direct impact on calorie intake. Similarly, expenditure on education has instrumental value in laying the foundation for growth (Dubey 2007b).

The belief that remittances are transitory and windfall income is not accurate. Remittances are becoming more stable than FDIs and ODAs. The global economic structure has changed substantially, and the assumption behind the Keynesian theory is wrong (Dubey 2007b). Globalization is a
two-way process in which immigration and emigration are part and parcel of the same thing. When a sending nation expects receiving nations to open their door to laborers, it also must be willing to open its own door to others. The notion of a global village with greater interdependence is real, especially where migration is concerned (Rana 2007).

Migration has a multiplier affect on the economies of the countries of origin. In the public sector, a lot of employment has been generated to better manage migration. This includes generation of new jobs to promote government awareness campaigns, including pre-departure briefings. In addition, new ministries have been created or the existing ones have been expanded, thus employing more human resources to manage activities linked with migration. Such expansion can be seen in civil aviation, customs, immigration, and in all other agencies that are linked to managing and governing migration. In the nongovernmental sectors, private recruiting agencies, their agents and subagents, travel agencies, banks, and medical centers have made money processing migration, as jobs have been created in nongovernmental organizations and the media to deal with these issues.3

4.4 Impact of Remittances Is Not Always Automatic

The impact of remittances on poverty reduction and employment is neither straightforward nor automatic. Roger Ballard’s study of two areas of divided Kashmir, one in Pakistan (Mirpur) and the other in India (Jullandur Doab), illustrates that for remittances to have a positive impact on the people, the proper macro-level policies must exist with the right type of development infrastructure to alleviate poverty in any given area. Migration management will be difficult when there are deficiencies in policy and institutional infrastructure to maximize benefits from remittances. Remittance is one of the faultier fields of development economics. Associated with it are sociological, political, cultural, and other factors. To be successful, it requires long-term planning, in which the countries need to give it a priority in their policies (Koirala 2007). Moreover, foreign employment is but one of the means by which countries can reduce poverty. It is only a stopgap measure, a means to an end. It does not absolve governments from their responsibility for job creation and establishing provisions for welfare nets for those truly in need. It is not the panacea for poverty alleviation (Sainju 2007).
5. STATUS OF LEGAL FRAMEWORK ON LABOR MIGRATION

5.1 International Conventions

There are general and specific international legal provisions for the protection of the rights of migrant workers. They include the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and Convention on Elimination of All Forms of Discrimination against Women (CEDAW). The issue of protection of migrant workers has also been highlighted in various International Labour Organization (ILO) documents, standards, and activities.

By far the most comprehensive legal document is the United Nations Convention on the Protection of the Rights of all Migrant Workers and Members of the Families. It recognizes the rights of all migrants, including irregular migrant workers, to a minimum degree of protection irrespective of their situation. While the Convention seeks to discourage illegal labor migration, it provides additional rights for migrant workers, including their family members. It is the only document of its kind, as it protects migrants through the whole migration process. These phases include decision making, pre-departure, migration preparation, transit and employment at destination country, and return and reintegration (Haque 2007). Sri Lanka is the only South Asian country that has ratified the Convention.

States have been reluctant to become a party to the Convention for the following reasons:

- The recommendatory nature of the Convention, which calls on the contracting parties to accept binding obligations in the future.
- The lack of political will on the part of the states.
- The lack of awareness of the value of the Convention.
- Reluctance to take measures to reconcile incompatible national legislations with the requirements of the Convention.
- Unwillingness to make administrative changes involving a wide range of state agencies that might incur additional costs on national resources (Haque 2007).
5.2 SAARC Social Charter and Citizen’s Social Charter

In South Asia, the legal framework has yet to develop fully to protect the rights and interest of migrant workers. The SAARC Social Charter was adopted by the 12th SAARC Summit in Islamabad (January 2004), with the objective of establishing a people-centered framework for social development and guiding their work to build a culture of cooperation and partnership. The SAARC Charter does not recognize migrant labor as a distinctive group and therefore does not mention laborers or workers. Unlike the European Social Charter, the Southern African Development Community Social Charter, or the Association of Southeast Asian Nations Social Charter, SAARC member states make no commitments to respect the ILO core labor standards.4

A parallel initiative taken by the South Asia Centre for Policy Studies (SACEPS) led to the formulation of a Citizen’s Social Charter and national social charters in six of the SAARC countries. Unlike in the formulation of the SARC Social Charter, SACEPS was able to mobilize and sustain a constituency in the civil society, which could be used to promote the concept behind the Charter and monitor its implementation. The Citizen’s Social Charter does not contain an independent section on labor, but it does mention that, while its scope shall not be limited by the Universal Declaration of Human Rights, it will be guided by, among others, the ILO Convention on the Right of Workers and CEDAW. The Citizen’s Social Charter recognizes that human resource development for a productive workforce must include the well-being of the workforce through promotion and protection of their rights (Art. 116 and 118). It proposes action plans to implement labor legislation, establish appropriate institutions, and provide the conditions necessary to ensure the rights of workers (Art. 119) (SACEPS 2005, 6–16).

5.3 National Regulations

Among the five major sending countries of the region, only Bangladesh has a comprehensive overseas employment policy, which was only adopted in 2006 after its earlier Emigration Ordinance 1982 and three of its rules were found to be inadequate in protecting migrant workers from fraudulent practices. Three Bangladeshi government agencies manage the welfare of migrants: the Ministry of Expatriates’ Welfare and Overseas Employment; its Bureau of Manpower, Employment and Training (BMET); and Bangladesh Overseas Employment and Service, Ltd. (BOESL). Whereas
BOESL functions as a consultant and recruitment agency for Bangladeshis looking for foreign employment. BMET protects the interests of the emigrants and provides vocational guidance and counseling. Bangladesh has set up a Wage Earners’ Welfare Fund to expand the scope of coverage for migrant workers (Maimbo et al. 2005, 16–18).

The Indian Emigration Act of 1983 focuses on the welfare of migrants and promotion of overseas employment. In an attempt to make the system more responsive to the interests of migrant workers, the Indian government has made some changes and adjustments. The Office of Protectorate General was transferred to the Ministry of Labor from the Ministry of External Affairs, and system of public hearings was introduced to redress workers’ grievances. Eight offices of the Protector of Emigrants are located in various parts of the country. Currently, a proposal to establish a National Manpower Export Promotion Council is seeking to make both government functionaries and recruitment industry more accountable (Maimbo et al. 2005, 18–19).

Nepal’s Foreign Employment Act 1985 aims to regulate the provision of recruiting agency licenses and the procedure of selecting workers. The Foreign Employment Bill 2007 passed by the interim government is an improvement on the Employment Act and takes a rights-based approach. It envisions the creation of a board to manage foreign employment and includes provisions to create a new government department that will be dedicated to this issue. Additional provisions are included to establish tribunals to adjudicate complaints by migrant workers, to set up a Welfare Fund, to protect the right of women to seek jobs abroad, to provide compulsory insurance on contracts, and to expand the rights of recruitment agencies to operate outside Kathmandu.5

Pakistan has a comprehensive emigration system that operates under the Ministry of Labour, Manpower, and Overseas Pakistanis. Under the Emigration Ordinance of 1979, the Bureau of Emigration and Overseas Employment, which is under the Labour Ministry, regulates migration in the private sector, while the Overseas Employment Corporation regulates public sector migration. Migration for purposes other than foreign employment is controlled by the Ministry of Interior through its various departments (Maimbo et al. 2005, 20).

In Sri Lanka, migration and remittances are looked after by the Ministry of Employment and Labour, along with its implementing machinery, the Sri Lanka Bureau of Foreign Employment (SLBFE). Although the Ministry is responsible for formulating policies and monitoring the administration of foreign employment, the SLBFE implements a wide range of workers’ welfare programs, both at home and in the host country (Maimbo et al. 2005, 21).
All five South Asian countries have labor attachés posted to their missions in countries that receive significant numbers of their workers. Pre-departure trainings in one form or the other are usually provided by the sending countries, with some provisions in those missions to receive complaints from their workers. These complaints are usually related to nonpayment or underpayment of wages, lack of medical facilities, and poor food and living conditions.

The receiving countries in the Gulf Cooperation Council (GCC) have come to realize the need for a common strategy to address the socioeconomic impact of foreign workers. On 1 May 2007, the Doha Declaration on Foreign Workers in the GCC was issued at the conclusion of a regional symposium of high government officials, academics, and decision makers from the sending and receiving countries, including experts in the areas of population, labor, and migration. The Declaration recognized the importance of strengthening cooperation among the GCC states and called for further integration of their policies through exchange of relevant information among member states, including through international agencies such as the ILO and other UN bodies (Sinha 2007). A similar declaration for the sending countries from South Asia has yet to emerge.

6. DESIRED GOALS

The idea of decent work that the ILO has been promoting underlines the theme of productive work that generates adequate income, in which rights are protected and in which there is adequate social protection. The objective is to promote opportunities for men and women to obtain decent work under conditions of freedom, equality, security, and human dignity. If these are the generally accepted international principles, then sending countries need to take up the main issues of the Four Pillars of Decent Work: right to work, right at work, social protection, and social dialogue. This ILO model focuses on a rights-based approach that has been subscribed to by all states in the world.

6.1 Making the Recruitment Industry Accountable

An urgently needed area of focus is to hold the recruitment industry accountable. The private sector plays a major role in the recruitment of
migrant workers and presently accounts for more than 90 percent of the recruitment in Bangladesh, India, Pakistan, and Sri Lanka (Haque 2007). While the recruitment industry is essential in promoting migration, migrants are cheated by harmful practices of some of these agencies, as the regulatory mechanisms that do exist do not operate properly. Making the intermediary or subagents accountable through licensing is essential, as is seeing that they operate properly in countries where such provisions already exist. Many potential migrants lose their investments because this aspect has not been looked into adequately, and many households have become paupers as a result of the activities of unscrupulous agents and subagents. The recruitment industry is burgeoning: there are around 800 agencies in Bangladesh, 760 in Nepal, and 1,182 in Pakistan (Azam 2005). The renewal of their licenses, however, is not tied to their performance. The performance criteria need to be linked not only to the number of workers they send abroad, but also to the terms under which they are sending these workers and how they respond when workers have problems. Some form of point system has to be introduced to assess agency performance.

6.2 A More Proactive Migration Policy by the Sending States

In terms of interministry and interagency cooperation, there is major institutional confusion. Each of the ministries of the government operates on the basis of its own turf and without adequate mechanisms. South Asian countries can learn from the experience of the Philippines in this regard. The Migrant Workers and Overseas Filipinos Act of 1995 includes specific provision that requires the government to establish a Migrant Workers and Other Overseas Filipinos Resource Centre within the jurisdiction of the Philippine Embassy. The Centre functions as a joint undertaking of various government agencies and operates 24 hours a day, including holidays. In addition to providing information and advisory programs to arriving migrant workers, it offers counseling and legal services, and welfare assistance. Some of its other functions include assisting women through gender-sensitive programs, providing training and upgrading skills, hosting orientation programs for returning workers, and regularly monitoring situations that might affect migrant workers. To ensure better coordination at home, an interagency committee of various branches of government is established to allow free exchanges of database files so that information on migration is shared by the authorities (Government of Philippines 1995).
When negotiating Memorandums of Understanding (MoUs) and bilateral agreements, the rights of the migrant workers are essential. Industrial actions are illegal in most of the traditional societies in the Middle East; therefore, it becomes incumbent on the governments in the region to protect worker rights through formal agreements with the receiving countries.

6.3 Pre-departure Training

Pre-departure training, including rudimentary language training, can make a lot of difference in how well migrant workers, especially women, adjust to the new environment in the receiving countries. Studies on women laborers working in the Middle East have found that with better pre-departure training they have been able to work more easily with their employers. As a result of this training, verbal and physical abuses also have dropped significantly (Siddqui 2007c).

6.4 Enhancing Worker Skills

As demands for skilled workers is rising internationally, India and other South Asian states need to reorient their workforce to this lucrative market. A study of unskilled Nepali migrants going to Malaysia in 2006 showed that unless they stay in dirty conditions or with friends, workers hardly save any money after deducting the cost of migrating to the receiving countries, commission, living expenses, and so on. Skill development is important, especially since demand for skilled workers (particularly for nurses in Europe and North America) are rising, while the demand for unskilled workers will grow at a decelerated rate. Studies show that Nepal could send another 40,000 workers abroad in the skilled sector, if only it had the human resources available (Bal Kumar 2008; Sharma 2007).

6.5 Promoting Safe Migration

Facilitating safe migration can lead to a win–win situation that will meet the labor market needs of destination countries and provide economic benefits, knowledge, and skills to the migrant workers. Recommendations for such policies in the region include (a) developing awareness campaigns both in the countries of origin and destination; (b) establishing bilateral labor agreements and MoUs to ensure rights through formalizing wages,
obligations, and privileges; and (c) expanding the role of consular service in the destination countries to protect the rights of migrants.

Safe migration should include dealing with the threat of HIV/AIDS, because the disease ignores national boundaries and spreads from nation to nation. Initiatives to ensure safe migration should address specific problems by reducing vulnerability of migrant workers through proper orientation; providing access to prevention, treatment, and care in both sources and destination countries; and developing a favorable regional policy to address the problem (Adhikari 2007).

Another critical issue is the question of trafficking of women and children. Trafficking is the dark ‘underside of globalization and migration. It is a global phenomenon that is sustained by demand and fueled by poverty and unemployment. After Southeast Asia, South Asia is the home to largest number of internationally trafficked persons, which is estimated to be around 150,000 annually. India and Pakistan are major countries of destination for trafficked women and girls, and are also the main transit points into the Middle East. Trafficking of children is of particular concern because it is an extension of serious child labor problems (UNFPA 2006).

Historically, trafficking has been associated with the effort to combat prostitution, but today it has a broader meaning and includes initiatives to check forced labor, forced marriage, sale of organs, and other deceptive and coercive criminal practices. As the former UN Special Rapporteur Radhika Coomaraswamy noted on violence against women that traffickers fish in the stream of migration. Migrant workers, in particular, are vulnerable to trafficking and other abuses, especially if they are undocumented, because they cannot complain about their working conditions for fear of being arrested and deported (Baruah 2006; McGill 2002).

6.6 Learning from Best Practices

Many good practices already exist in the region. The Bangladesh Government’s Overseas Employment Policies is a step forward. In India, the requirement for public hearing is another good example. In Sri Lanka, the training and preparation of workers is a practice that other countries in the region can build into their laws.

A number of countries in the region provide incentives to migrant laborers and services to assist in the reintegration of returning migrants. Bangladesh has its own bank representatives in the receiving countries, provisions for investments in privatized Bangladeshi industries, a special
savings incentive in the form of a Wage Earner Bond, and housing opportunities on government land developments. To encourage Pakistanis abroad to remit their funds to their home country, the Pakistani government in June 2001 announced separate privileges for nationals remitting US$2,500 per year and for nonresident Pakistanis (NRPs) remitting a minimum of US$10,000 through the banking channels. Those belonging to the former category are entitled to duty-free imports up to US$700 during any year, while NRPs are entitled to duty-free convenience of a value up to US$1,200. NRPs are entitled to the merit-based quota system assigned in all public professional colleges and universities, participation in a lottery for choice plots in public housing schemes at attractive prices if paid in foreign currency, and expedited allocation of shares in privatizations. In addition, bona fide remittances are not subject to tax.

Sri Lanka has gone further than other countries in South Asia to promote labor migration. Migrants are provided pre-departure loans to cover departure expenses, including travel costs. Eligible migrants and their families are provided with free life insurance and, once abroad, they can maintain nonresident foreign-currency accounts, which they fund through their remittances. The only catch is that they must open an account with a state bank.

In India, some state governments, like Kerala, have set up Human Resources Corporation to promote labor exports. No specific national programs and service assist in the reintegration of returning migrants, although there are various forms of incentives to the nonresident Indians. These incentives include options for dual citizenship and the ability to move capital freely between their two homes without undue bureaucratic interference. For instance, on 10 January 2004, the government announced that anyone could buy dollars up to US$25,000 a year to remit abroad, while Indian companies were allowed to invest up to 100 percent of their net worth overseas (Maimbo et al. 2005, 16–23).

Lessons can be learned from the best practices of other countries that have substantial experience in this area. The Philippines can offer a number of successful examples. Over the past 20 years, the Philippines has built up laws designed to attract resources of its sizeable diaspora. These laws include incentives and privileges for migrant workers to invest, donate, purchase real estate property, or open local enterprises in areas that are normally reserved for Filipino citizens. Additional attractions include new laws allowing overseas Filipinos to participate in Philippine elections and to hold dual citizenship.
6.7 Reducing the Cost of Migration

South Asian countries also need to reduce the cost of migration through recruiting agencies and institutions, and to reduce the cost of remitting money to the home country. For instance, the cost for migrating from Sri Lanka is one of the lowest in the region (US$689), while the cost for Pakistan (US$1,300), Nepal (US$1,500), and Bangladesh (US$1,700) is considerably higher. Sri Lanka has been able to bring down the emigration cost by adopting two strategies. It raised the annual license fee for recruiters from Rs 100 to Rs 10,000 because the initial low fee provided incentives for corruption in under-the-table transactions by bureaucrats. Second, the SLBFE has made arrangements with airlines for block bookings to key destinations, which has enabled it to pass discounts on to workers. In addition, because the migration process is always under the “unremitting scrutiny” of civil society organizations to ensure accountability, they have become an effective medium for reducing emigration transaction costs (Rodrigo 1992, quoted in Waddington 2003, 9).

6.8 Remittance Management

Innovative experiences of countries in remittance management also can be shared with and learned from other countries. A workshop organized by RMMRU with World Bank officials on remittance transfer highlighted the fact that the pace at which remittances were increasing in South Asia was not matched by the level of offers of investment products for the remitters. Central banks usually meet the needs of long-term migrants and relatively better-off short-term migrants, but other migrants do not have many choices. The bankers at that workshop felt that diversified products were needed to match the demands of different age-groups and small remitters. Other methods that could be used to better manage remittance include the following:

- *Creating better investment opportunities* by catering to the local needs of the migrant workers by encouraging them to invest in high-profile projects such as bridges, flyovers, and airports dedicated to migrants.
- *Making better use of modern technology* by improving services so that transfer of remittances to the country of origin is achieved quickly and more effectively at lower costs.
- *Locating bank representatives in receiving countries* to provide easy access and better services to the migrant workers.
Reexamining the role of the unofficial remittance channels so that the effective role played by the hundi system in transferring resources to the country of origin may not become ineffectual in the name of checking unofficial financial flows to finance terrorism.

6.9 Engaging Diasporas

The need for donor agencies and countries to engage migrants and diaspora organizations in development cooperation is increasing. Because migrants may already be mobilized for development on their own initiative, it is the development actors that should be “mobilized” to establish a two-way working relationship. Developing a successful alliance calls for giving the diaspora organizations a real say in policy formulation and access to substantial funding. Any development policy that seeks to utilize the support of the diaspora should avoid setting a double agenda, because diaspora organizations are unlikely to cooperate with initiatives that have the hidden agenda of curbing migration in the guise of development efforts.

Diaspora organizations might be involved in development policies in a number of ways, including the following:

- Active involvement of migrants and migrant organizations in policy formulation.
- Supporting capacity building and network formation among migrant organizations to enhance their interest in development activities.
- Providing financial or organizational support to sustain development initiatives of migrants.
- Involving migrants and diaspora organizations as experts or consultants in projects designed by development agencies.
- Involving migrants and diaspora organizations in programs of permanent or temporary return (de Hass 2006, 94–96).

7. PROMOTING MIGRATION: A REGIONAL APPROACH THROUGH SAARC

Collaboration of South Asian countries is essential in creating a more uniform policy for sending, receiving, and transit countries. Currently, competition is negative among countries in South Asia. Collective efforts are needed to deal with the problems of missing and irregular
migrants, as well as the increasing securitization of labor migration issue that threatens to make the position of the laborers more insecure in the receiving countries. More action research is needed on labor migration from South Asia, because the problems of migration are different in each country (Adhikari 2007). Some of the issues for which more work needs to be done through a collective effort are discussed below.

7.1 Treating Migration as a Major Human and Economic Issue

The Citizen’s Social Charter could serve as a guiding document to further sharpen the SAARC Social Charter. For too long, labor flows across borders have been treated, whether at the World Trade Organization (WTO) or in South Asia, as illegal migration by ministries in charge of international security, rather than as trade and economic affairs. Migration needs to be treated as a major human and economic concern. Major research is needed to understand the underlying economics, the social implications in the receiving and sending countries, and the political fallout of the labor flows within and outside the region. The output of such research could be instrumental in developing a realistic and humanitarian policy to formalize the process of labor flows and to integrate them into the broader process of economic cooperation in South Asia (Sobhan 2004, 12–13).

7.2 Developing the Necessary Information and Data

Return migration is an inevitable aspect of temporary or contract migration, but there is a paucity of information to evaluate the number of those who return to their country of origin. There is also a lack of information on aspects such as occupational structure, skills acquired, resource position, investment capabilities, and investment plans of return migrants. The lack of data has impaired the formulation of any meaningful reintegration plans for those returning to their country of origin. This underscores the need for further research in this area, which can be implemented only through a collective effort (Srivastava and Sasikumar 2003, 16).

7.3 Examining the Issue of Consumption versus Investment of Remittances

The impact of remittance on the national economy of South Asian countries is not fully understood. Surveys from a range of countries have
found that remittances, up to 80 percent in some regions, are spent on consumption and welfare, whereas only a small amount is invested in land and housing and new productive investments. The specific implication of consumption and investments needs to be examined to clarify the impact of remittances on poverty and economic development in South Asia.

7.4 Establishing a SAARC Task Force on Migration

SAARC should establish a task force to look at the complex phenomenon of migration from the point of view of its influence on growth prospects of the South Asian countries and to derive relevant conclusions out of that effort. The task force could begin by examining existing laws and policy documents in the region, which could produce recommendations on the kinds of actions to be taken. The task force should be based on a technical-level study on the pattern of migration, the evolution of policies, and demographic trends, both regionally and internationally. It should look at the adequacy or inadequacy of the data, as well as their conformity with international standards and whether regional standards of collecting such data could be established (Dubey 2007b).

SAARC countries should subscribe to the UN Convention on the Protection of the Rights of all Migrant Workers and Members of the Families as well as to the many other ILO protocols. South Asian countries could take the lead in including the movement of natural persons on the WTO agenda, which excluded it earlier. The benefit of the WTO is that once member nations agree on the norms, they become enforceable through sanctions.

NOTES

1. In the case of Nepalese migrant workers, see Gurung 2000.
2. Trade unions operate in all the South Asian countries, except Bhutan and Maldives.
3. Aside from the possibility that remittances may increase inequality and cause dependency, they make significant contributions to reducing poverty or vulnerability in the majority of household and communities. The impact of remittances on poverty reductions is usually examined at four different levels. First, at the local level, remittances contribute directly to raising household incomes as well as broadening opportunities to increase incomes. They allow households to increase their consumption of goods and services. At this level, remittances may be an unreliable source of future incomes, however, because they can only make specific contributions at a particular moment in time and, in the long term, they can stop altogether if the migrants return to the home country.
or if they are integrated and become permanent residents in the host country. Second, at the community level, remittances generate multiplier effects on the local economy by creating new jobs, especially when new economic and social infrastructures and services are put in place. Remittances can especially make a difference in remote rural areas where state resources have not been effective. Third, at the national level, remittances provide states foreign currency and contribute to the GDP. However, in countries with low GDP, remittances can distort the function of the capital market and destabilize exchange rate regimes through the creation of parallel currency markets. And fourth, at the international level, they can transfer resources from the industrial to the developing countries and thus reduce inequality (see Chimhowu et al. 2003).

4. The eight core labor standards include (a) Con. 97: Freedom of Association and Protection of the Right to Organize; (b) Con. 98: Right to Organize and Collective Bargaining; (c) Con. 105: Abolition of Forced Labor; (d) Con. 138: Minimum Age for Employment; (e) Con. 182: Worst Forms of Child Labor Convention; (f) Con. 100: Equal Remuneration for Work of Equal Value; (g) Con. 29: Forced Labor; and (h) Con. 111: Discrimination in Employment and Occupation.

5. Information provided by Sharu Joshi to the author after the seminar (2007).

6. Unless otherwise indicated, the summary in this section is based on a presentation made by Abrar 2007.

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