

## Political Economy of Labor Migration Governance in Bangladesh

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### **Abstract**

Labor migration has been the second highest source of Bangladesh's economy. There has been a growing trend in labor migration from Bangladesh since 1980s, but the nature and process of governance in the origin has been inadequate. In 1976, a total of 6087 people migrated for overseas work where 42 district level offices were functioning to serve the labor migration process. In 2020 the number of labor migrants reached 217,669 but the number of district level governing mechanism remained the same. As most of the migrants are rooted in rural areas, the governing mechanisms were needed to be truly decentralized. This work explains why and how the governing mechanisms for labor migration has been centralized. Different Ordinance, Laws, and rules that were framed under different regimes for migration governance have been studied to meet the objective. This study finds that, irrespective of the nature of political regimes, there has been a lack of willingness to arrange an easy, smooth, and less-expensive governing process for the grassroots migrants.

**Keywords:** labor migration, governance, political economy, Bangladesh

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## Introduction

Labor migration possesses the second highest source of the economy of Bangladesh. Such migration occurs at grassroots where the less educated but potential migrants reside. Though most of the outbound migrants are grassroots' inhabitants<sup>1</sup>, the mechanism for labor migration governance in the country has been mostly centralized. As a result, the outgoing migrants manage to get the core migration services like migration related information, visa checking, online registration and fingerprint, migration clearance and smart card collecting with high costs. After the independence of the country, different governments have taken a number of initiatives for streamlining labor migration. The establishment of labor ministry, upgradation of the Immigration Act 1922, and the creation of some District Employment and Manpower Offices (DEMOs) were prominent among them. The Emigration Ordinance of 1982 established a line agency called the Bureau of Manpower, Employment and Training (BMET). Instead of expanding the activities of DEMOs at the grassroots, BMET allowed more licenses to the private recruiters for migration governance both in the origin and destination countries. With the private recruiter's involvement in the migration process the cost of migration increased and the illegal intermediaries<sup>2</sup> evolved. Although the government updated the Emigration ordinance in later years, little developments regarding the grassroots' migration governance are visible. In 2013, the government formulated the Overseas Employment and Migrants Acts where the private recruiting agencies have been vested with diversified power to regulate grassroots migration. This work explores the process of centralizing the governing mechanism in origin<sup>3</sup>, reasons for high cost of migration, and the political economy of labor migration governance in Bangladesh. To explore the objective, different Acts, Ordinance, and Rules related to labor migration have been studied and analyzed. In-depth interviews of different governing

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<sup>1</sup>The word GRASSROOTS indicate rural or remote areas of different administrative districts in Bangladesh.

<sup>2</sup>The term illegal intermediaries comprise the travel agents without BMET's license, Dalals, and other beneficiaries.

<sup>3</sup>The word ORIGIN indicates inside the country.

mechanism related stakeholders, outbound migrants, and experts have also been taken. The study finds that the current pattern and condition of migration governance in the country is the continuation of different governments' decision-making process.

### **Existing Literature**

There is little publicly available information and writings on the governance and governing mechanism for labor migration in Bangladesh. BMET- the line agency of the Ministry of Expatriate's Welfare and Overseas Employment (MoEWOE) provides updated data on the trends and patterns of labor migration from Bangladesh. Although it provides the data on the trends, gender, skills background, and remittance from the migrants, it does not provide adequate data on the governing mechanism and governance related rules that change from time to time. Different migration trend reports from BMET give the ideas about the changes in the function of its governing mechanism. A country report on the trends of migration provides the idea of digitizing migrant labor's registration system at selected DEMOs (Islam, nd: 22-23) but such information is not enough for the understanding the development of governing process in the origin. RMMRU- a migration-focused think tank explored the scenario of migration governance at the grassroot level. DEMOs are the entry-points for the outbound migrants, especially for them who reside at grassroot. RMMRU found that the local level offices are in short of resources, finance, and manpower. The think tank argued for the decentralization of the activities of BMET to DEMOs (Siddiqui 2010:8-9). But the work did not clarified how the grassroots governing mechanism has been partially dysfunctional overtime. This study finds the gap on the knowledge of how the process of entire migration governance in the country have been centralized, which factors played the role behind them, who were the actors involved, and who have been benefitted from such centralization process.

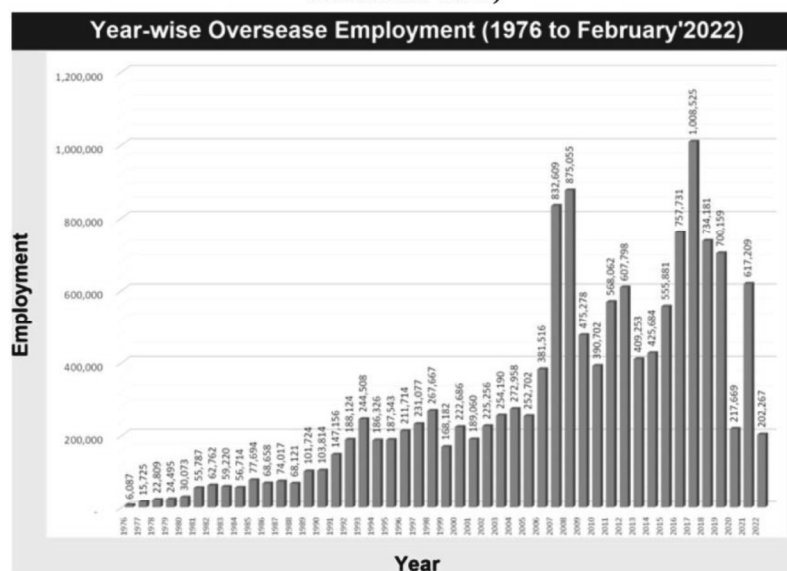
### **Labor Migration from Bangladesh**

#### *Trends of Labor migration from Bangladesh*

Labour migration from Bangladesh started early in the 1940s with work opportunities in British merchant ships (Ferris 1999). The present form of contractual labour migration mainly to the Middle

Eastern countries started early in the 1970s from the country which has been officially maintaining since 1976 with the establishment of BMET. The number of migration which has been maintaining officially started with only 6087 to different destinations in the Middle East. The subsequent years saw gradual increases in the number of migrants that crossed one million in 1989. Since 1990, the year-wise migration has been continuously increasing except some lapsus. Till February 2022, a total of 13,836,428 migrants are working in different countries around the world<sup>4</sup> (Fig. 1). Unskilled migrants comprise the major portion of the total numbers. As the chart shows (Fig. 1), around 68 per cent of the total migrants are a mixture of skilled, unskilled, and semi-skilled. The rate of professional migrations to the Middle Eastern destinations have been below the merge.

**Figure 1: Year Wise Trends of Overseas Employment (1976- December 2021)**

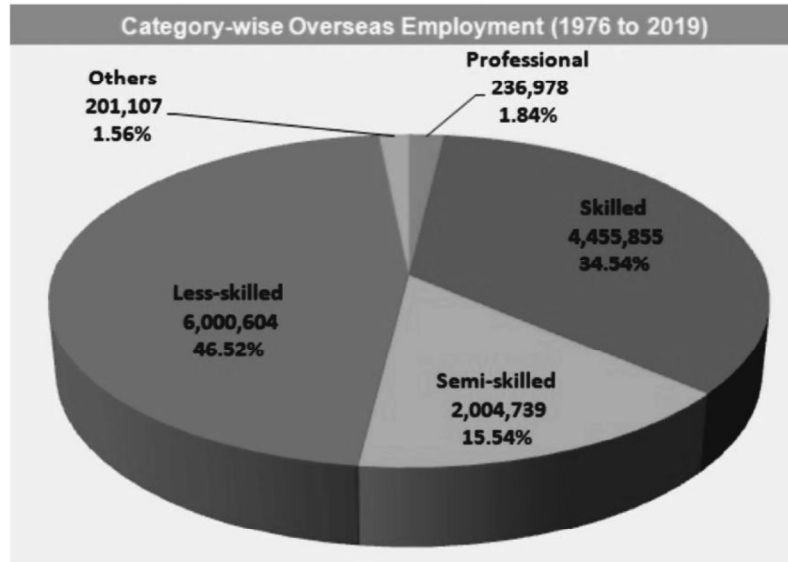


Source: BMET Data

(<http://www.old.bmet.gov.bd/BMET/statisticalDataAction#>)

<sup>4</sup> BMET Data [BMET]

Figure 2: category-wise migration



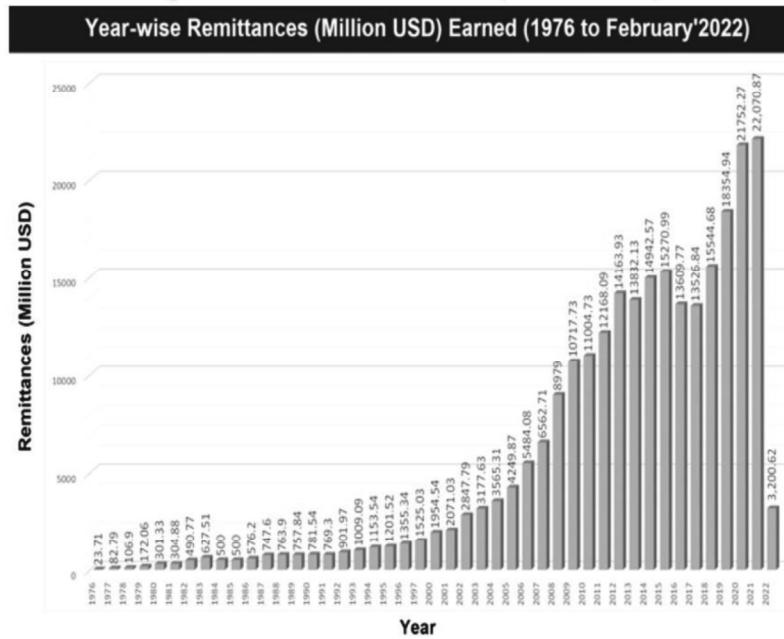
**Source: BMET Data**

(<http://www.old.bmet.gov.bd/BMET/statisticalDataAction#>)

#### *Labour Migration and Remittance*

Migrant labour's remittance has been the core contributor to the country's economy. Though it arose as a poverty alleviating policy, it has been playing a leading role in the contribution of country's GDP. Currently the remittance is regarded as the second highest source of the country's GDP. In 1976, the total remittance was 23.71 (Million USD). In 2000, the total remittance was 1954.54 (Million USD), and it rose to 22,070.87 (Million USD), the highest peak since the history of labour migration from Bangladesh (Fig. 3).

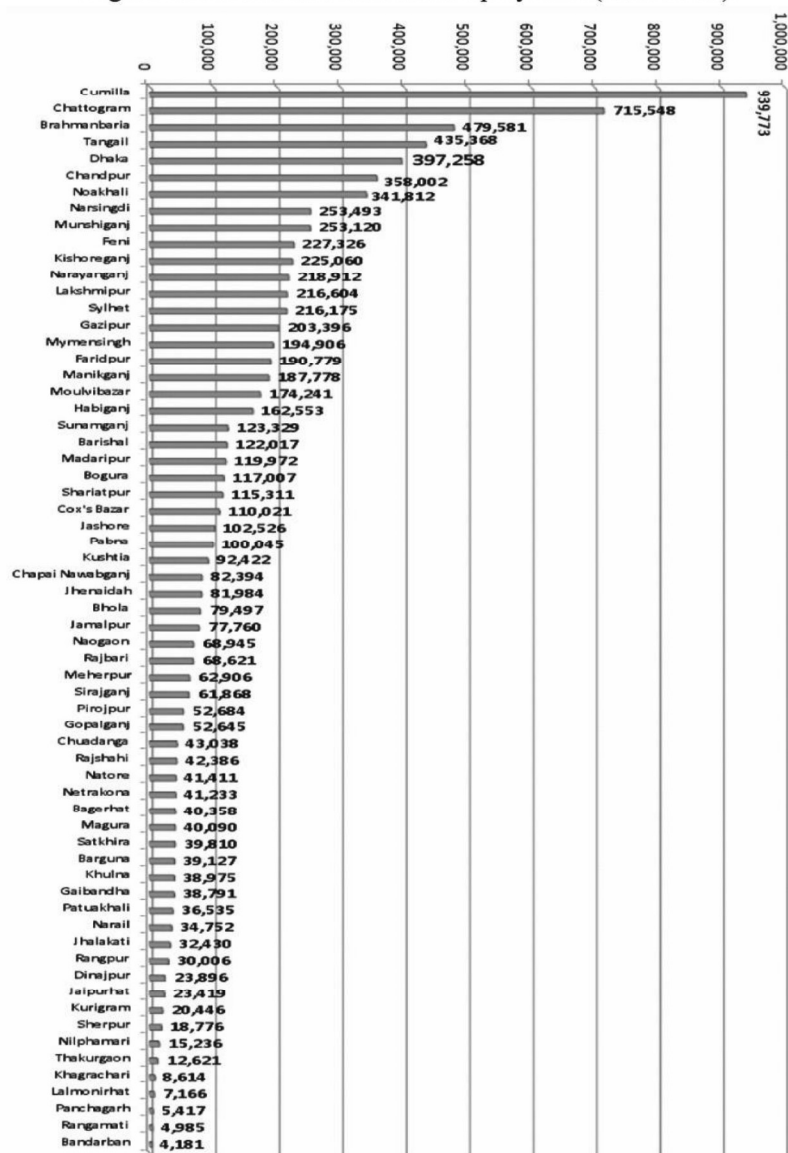
Figure3: Year-wise remittances (Million USD)



Source: BMET Data

(<http://www.old.bmet.gov.bd/BMET/statisticalDataAction#>)

Figure 4: District-wise overseas employment (2005-2019)



Source: BMET Data

<http://www.old.bmet.gov.bd/BMET/statisticalDataAction#>

### **Research Methodology**

This work is based on content analysis. The main sources of data are different Acts, Rules, Circulars, and Ordinance that have been initiated and implemented for the labor migration governance in Bangladesh in different times. Different acts are the source of data because a little study has been conducted on the governing process of labor migration in Bangladesh. The data sources have been divided into two steps: firstly the acts, rules, and related initiatives taken before the independence. Secondly, the same sources that have been taken since independence. Pre-independence acts and rules have been taken into consideration because it has been found that most of the acts and rules are the continuation of the past. Household surveys with migrants (both the outbound and returnees) and FGDs with the stakeholders of governing mechanisms also have been conducted to gather information on the perception on migration governance in the origin. Some Key Informant interviews (KIIs) also have been conducted with DEMO officials.

### **Migration governance in Bangladesh**

Governance of labour migration formally started with the establishment of BMET in 1976. Previously the bureau had been working under the Ministry of Labour and Employment which was established in 1972. The BMET was assigned with managing labour migration with the help of 42 district level offices-DEMO that were established countrywide during the British era. Since establishment, the BMET has been performing major role in governing migration from Bangladesh. From visa checking to migration processing, every step of governance had been undertaken by the bureau. In 1982, the Emigration Ordinance provided private agencies called Bangladesh Association of International Recruiting Agencies (BAIRA) with the opportunity of migration management both in home and abroad. Since then, the bureau was assigned with the tasks of monitoring the private recruiting agencies accordingly. In 2001, the MoEWOE as the formal institution for migration governance. Since then, the bureau has been working as a line agency of the ministry and overlooking the activities of the DEMOs and private recruiters. It also provides licence to the aspirant private agencies with the supervision of the ministry.

Along with the ministry and its line agency (BMET), the district level

offices (DEMOs) are assigned, by circular, to perform certain duties related to labour migration. The DEMOs were officially enacted in 1973 for grassroots migration governance under the Bangladesh Laws (Revision and Declaration). Since then, there are 42 DEMO offices in 42 districts in Bangladesh. These offices were assigned to collect migration related information, disseminate the collected information to the aspirant outbound migrants, registration of job seekers, provide training to the unskilled migrants, provide awareness to the intending and returnee migrants and others. Shortly, the DEMO offices were enforced to manage every aspect of migration governance at grassroots.

Along with BMET, DEMOs, and legal recruiting agencies, a vast number of informal agents (illegal intermediaries) have been working in migration governance in Bangladesh. It is estimated that more than 10,000 intermediaries are working in different migrant prone villages and districts of Bangladesh. The legally set private recruiting agencies are mostly Dhaka based. They do not expand their offices at remote areas due to the variation of cost. Thus, they maintain a strong chain with the local intermediaries in collecting information about job seekers, process migration formalities, collect money from the outgoing migrants and related other activities.

### **The political economy of migration governance**

Labour migration occurs from rural/remote areas, but the governing mechanism is, in most ways, out of reach of the local people. The government does not have adequate administrative involvement to facilitate migration from the grassroots. Bangladesh established Bureau of Manpower, Employment and Training (BMET) in 1976 with the previously set 42 district level offices called District Employment and Manpower Office (DEMO) to monitor and govern labour migration from grassroots. These offices do not have rural level attachment for which they are rarely capable of reaching their entitled activities out of centre. Therefore, an outgoing migrant must go to Dhaka for their pre-departure briefing<sup>5</sup> to the enrolment of fingerprint for overseas migration<sup>6</sup>. The DEMOs are the only authorised

<sup>5</sup>Pre-departure briefing is a sort of counseling arranged by the BMET for the outgoing labour migrants

<sup>6</sup>Fingerprint is mandatory and required for every outgoing migrants for their labor card.

government bodies for migration governance at grassroots. These offices are not able to govern migration better because among the 42, none of the offices yet have their own establishment, physical infrastructure, technological support, and website for easy access to migration related services. They do not have permanent infrastructure and adequate manpower.

For the lack of grassroots governance, a gap between the governing mechanism and the aspirant migrants has been rooted. Due to the lack of accountability and transparency, illegal recruiting agencies have been involved in the process and the migration governance has been becoming fragile day by day. In 1976, there were 6087 migrants, \$23.71 billion remittance, and 42 DEMOs for their governance. In 2021, the number of migrants rose to 13,634,161, and the \$ 253,910.19 billion received as remittance (BMET Data). The numbers of migrants have been rising rapidly, the size of remittance has been contributing to the GDP significantly, but the size of governing mechanism remains the same as it was in its inception. Instead of establishing and utilizing its own offices, the government has been promoting private recruiting agencies for migration governance. Under the emigration ordinance 1982, the government allowed licensing to private recruiters. During 1990s, the number of BMET licensed recruiting agencies were 56, but currently the number has risen to almost 1800, and these 1800<sup>7</sup> agencies have hundreds of thousands illegal recruiters in the rural and remote areas. During 2000s, the average migration cost for Middle Eastern countries was 60,000 (BDT). Currently the cost is undeclared, and the undocumented average cost of migration goes to around 400,000 (BDT) (Siddiqui 2008). From 2008 to 2018, a total of 152 people died in the Sea, around 248 have been jailed in different countries including Malaysia, and almost 3000 returned home because of the illegal and unsuccessful steps took to cross the targeted borders (RMMRU data).

After the independence in 1971, migration from the country had been regulated under the Indian Emigration Act 1922. Due to several inadequacies regarding barrier and non-barrier to certain countries, major policy changes had been taken place in 1982 emigration ordinance (Ullah 2012). Among the major changes, he allowed the

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<sup>7</sup>P Source: BMET data [BMET]

Bangladesh Association of International Recruiting Agencies (BAIRA), the association of private recruiting agencies for migration governance for the first time. The Emigration Ordinance 1982 was taken on 24 March 1982, on behalf of the Chief Martial Law Administrator. Like the Indian Emigration Act 1922, this Ordinance also kept the status of women migrants similar under the section 02. The Emigration Ordinance-1982 paved the way of licensing to recruiting agencies (section 10 of the Ordinance). In section 7, article 3/b of the Ordinance, scopes of private governance were allowed overwhelmingly. Section 10 of the 1982 Ordinance authorizes the government to grant licenses to any individual, company, or office who tends to be engaged in recruiting mechanism for overseas employment. In 1982, the total overseas workers were 62,762 and the \$ 490.77 billion was received as remittance (BMET data, BBS, BB). The number of government offices were 42 at local level. Instead of establishing more grassroots public funded offices, the government started licensing the private recruiters. With massive criticism from civil societies, the government established the Bangladesh Overseas Employment Services Limited (BOESL) at the end of 1982.

In 2001, the subsequent government changed the labor ministry to the Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE) where the BMET became the line agency with a view to ensure maximum benefits from the labor migration sector. Later, the BMET was vested with the authority over DEMOs. The DEMOs are supposed to get instruction from BMET on labor migration process over time. Based on the Ordinance 1982, some rules were re-introduced in 2002. Before the end of tenure, the government brought rules that were given the form of act called Overseas Employment Policy 2006. In 2006, Overseas Employment Policy was taken with a view to organize overseas employment sector and to ensure welfare of Bangladeshi workers abroad, exploration of new markets for overseas employment, expansion of existing labor markets, ensure abolition of any scope of irregular migration, provide sufficient training to the migrant workers, provide support and advocacy to the migrants abroad, and negotiate fair contracts, bilateral agreement, and cover costs of managing this. But the major changes brought under this policy settled down the cost for recruiting agencies, the functions of the recruiting agencies, and more allowed more licenses for private recruiters, but no substantial changes regarding government

mechanism for migration governance were put up.

In 2013, the government passed the 'Overseas Employment and Migrants Act 2013'. Some major changes were brought to the Act. Unlike the previous acts and ordinance, the term 'dependent' has been changed to 'a spouse/husband or wife, mother, father, children, brother or sister, or any other household member who is financially dependent on the migrant worker (Section 07). Like the previous acts, ordinance, rules, and policies, the Act 2013 provides different provisions for recruiting agents (Chapter III, section 09). Among the required conditions for the licensing of recruiting agencies, 'bank statement indicating solvency' is a major one. But the term 'solvency' is not defined clearly in the Act. It paved the aspirant recruiting agents the way to get the licenses without a reasonable amount of caution money. In article 10, it is included that, a person who 'is not a person of sound mind' is not eligible for license. The phrase 'sound mind' is also a vague one. The Act does not provide any clear definition of the phrase 'sound mind'. How would a person be regarded as 'sound', what the word means are all ambiguous in the Act. Such ambiguity pay relaxation to the way of securing a license for overseas recruitment.

However, the Acts, ordinances, rules, and policies above indicate that targeting a particular group of people changes were taken to the overseas employment policies in different times. Massive changes were taken through Emigration Ordinance 1982 for the first time where private recruiting agencies were overwhelmingly allowed to manage labor migration at grassroots as well as overseas. Instead of bringing expansionary changes to the governing mechanism, the Emigration Ordinance-1982 allowed more private agents to operate in the area of recruiting, processing, and promoting migration. Despite massive demand of proper institutional arrangements, the regime put concentration on profit maximization of the private stake holders. The initiative taken during 80s has also reflected in the behavior of the succeeding governments in the later years. From 2001 to 2006, several changes regarding overseas employment policies were taken place but nothing new regarding the government institutions of governing migration. The acts and policies during that regime were basically on how to govern the private recruiting agents. The overseas Employment Act 2013 provided freedom and easy access to the licensing system of the ministry for overseas migration. The 2013 Act flourishes the path

of the private recruiter with less or ambiguity in the conditions of licensing.

According to the BMET circular, the DEMOs are vested with the role of collecting information on the grassroot level manpower, collecting overseas job information from the labor attaché of the respected Bangladesh embassy/high commission, creating database of the job seekers and job givers, taking fingerprint of the departing migrants, checking visa before final processing, providing pre-departure briefing about the destination countries and other roles related to the migrants and migration. But DEMOs rarely check the license of the recruiting agencies because of lack of sufficient legal authority of it. DEMO officials are vested with the work of fingerprint enrolment, but most the DEMO does not have the facility for this. Therefore, the migrants are bound to go the capital city. Most of the DEMO offices still do not have continuous internet facilities. Even the most crucial fact is that each DEMO office is run with 2/3 workers with whom it is not possible to serve hundreds of thousands of migrants remotely. As the literacy rate of the outgoing migrants is poor, they are not capable of filling up necessary documents. In such cases, they do not get adequate support from the DEMO offices. However, considering all of these, the aspirants migrants take favors from the illegal intermediaries in return of higher cost of money, time, and sometimes in the cost of life.

### **Conclusion**

Migrant labors are mostly less educated and grassroots residents. To an easy and smooth functioning of labor migration governance, the British colonizers established some local level offices during 1930s which have turned into today's 42 district employment and manpower offices in Bangladesh. As the evidence says, the Bureau of Manpower, Employment and Training was established in 1976 under which the 42 DEMOs were incorporated as local level governing mechanism for labor migration. With the span of time, growing number of migrants, and increasing trends of remittances, the mechanism for migration governance has been remaining truly poor. Since 1976, the country has experienced different political regimes and policy changes, but the people-oriented policy and institutions for migration governance has been inadequate. From 1982 to 2013, different orders and policies

have been implemented to govern this sector but most the policies have been providing opportunities to the privatization and centralization of governance that are out of the reach of the potential but less educated grassroots people. The 1982 Emigration Ordinance provided full-swing opportunity to private agencies instead of enlarging and expanding the government-run institutions at grassroots. With the 1982 Ordinance a patron-client relationship was established in this sector. The subsequent governments also took different initiatives, but none of them put their concentration toward the enlargement and expansion of the governing facilities at grassroots. As a huge number of migrants are moving overseas every year the recruiting sector has become the monopoly for the private profit makers. The private recruiting agencies have unauthorized local offices and intermediaries for collection of job seekers. As a result, increased irregular migration, increased migration costs, increased fraudulence, and losses of life have become the common scenario of labor migration from Bangladesh. Despite of all the setbacks, governments have not been effectively flourishing the institutions for migration governance where necessary. Rather, the benefits of private recruiting agencies provided by different acts, rules and derivatives indicate that a patron-client relationship has been established which serves sectoral interest in migration governance in Bangladesh. The explanation of the Order, acts, and policies clearly indicate the political economy of labor migration governance in Bangladesh.

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