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Socio-economic impacts of COVID-19 pandemic on the migrant workers from Bangladesh

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Abstract

Migrant workers of Bangladesh perform a major role in the development of economy. The country has world's one of the largest migrant populations, with nearly 8 million of its 160 million residents living abroad. Every year they are contributing approximately USD 15 billion directly to the socio-economic development of Bangladesh through remittance. Around USD 18 billion remittance have been earned in 2019, which was the second largest source of foreign currency. With Covid-19 pandemic, these workers were laid off without compensation. Bangladeshis working abroad faced difficulties such as large-scale job loss, salary reductions, and increase in deportations from the GCC. Sudden loss of income and unexpected financial crisis of the migrants have intense consequences upon their families and communities, with remittance inflow that normally equal nearly one-third of the country's national budget which are now predicted to have a considerable reduction. The Government should come forward with providing financial support to the migrant workers so that they can overcome adversities during the pandemic. Administrative along with diplomatic initiatives are required for creating employment opportunities and ensuring health-security of the workers who are staying abroad, for those who have returned to Bangladesh, in addition to those who seek to return for getting fresh employment in the overseas market.

Keywords: Migrant workers, remittance, COVID-19 pandemic, dependents

1. Introduction

The COVID-19 pandemic has created a major threat to the migrant workers everywhere in the world. Among others, Bangladeshi migrant workers were one of the worst sufferers. The challenges generated through pandemic are twofold: one for the migrant workers who had returned from different host countries with the fear of being jobless in near future and other for those who got stuck in abroad without any financial security or social safety. (Rights, 2020) [7].

The remittances sent home by Bangladeshi migrant workers, particularly since the beginning of Covid-19 pandemic, have been contributing a lot towards reviving the country's economy. A rising trend has been found in the remittance inflow since June following an opposing trend in March and April. In addition to, bringing in valuable foreign currency for the country, relocation of Bangladeshi workers has also been contributing positively to Bangladesh's economy through generating employment for the surplus workers. (Ahmed, 2020) [1].

Bangladeshi migrant workers and their dependents are suffering from various economic and social adversities amid the COVID-19 situation. To understand the present and future challenges in the migration sector are vital for taking required actions to ensure the rights, and welfare of Bangladeshi migrant workers. By focusing on the socio-economic impacts of COVID-19 towards migrant workers, a few recommendations are given accordingly.

2. Consequences faced by the Migrant Workers amid Covid – 19

As the outbreak of coronavirus has spread rapidly around the world, the Government of Bangladesh has struggled to fight. The issue of public-health crisis has been worsened by the current economic effects causing from the pandemic. Major difficulties encountered by Bangladeshi workers are: sudden job loss, salary reductions, and sending back from the GCC. Dependents of the migrant workers are facing financial crisis due to the limited or reduced cash flow from their working relatives.

Remittance inflow that normally equals nearly one-third of Bangladesh's national budget is predicted to have a significant fall. (Sorkar, M. 2020) ^[8].

The migrants face isolation and suppression at both ends. In the host countries, they are treated as an unwanted burden, and when they come back to Bangladesh they become isolated and segregated by neighbors who are afraid of being affected by COVID-19. Due to superstitious beliefs and norms, people often slander returnees even after they go through a quarantine period. Institutional quarantine facilities in Bangladesh are very much inadequate, so almost all returnee migrants should rather disconnect themselves in the midst of those networks. (Sorkar, M. 2020) ^[8].

3. Socio-Economic Impacts on Bangladeshi Migrants

Nearly 8 million Bangladeshi migrants have been working abroad and contributing towards the country's economic development however ensuring wellbeing of millions depending on them.

In response to temporary employment agreements, strong remittances inflow has driven Bangladesh to become the world's 11th largest remittance-recipient economy; accompanied by Ready-Made Garments (RMG) exports.

As indicated by BMET, in the FY 2019-20, Bangladesh received remittance worth US \$18.21 billion, which is 9.6% higher than the preceding year, according to official figures. Earlier in FY 2018-2019, the received amount was US \$16.4 billion and US \$14.98 billion in FY 2017-2018 respectively. Reasons behind the increase in remittance flow are: There was no scope for transactions by 'hundi'; Gold smugglers could not help migrant workers in money sending; and 2% incentives announced by the Government for sending remittance through proper channel. Foreign remittance is the second biggest wellspring of unfamiliar profit in Bangladesh. To stress how pivotal this monetary stream is, remittance earning in 2019 were what might be compared to 30 percent of the public spending plan of US \$62 billion, or 6 percent of the nation's US \$302.6 billion GDP. (Al-Amin, M. 2020) ^[2].

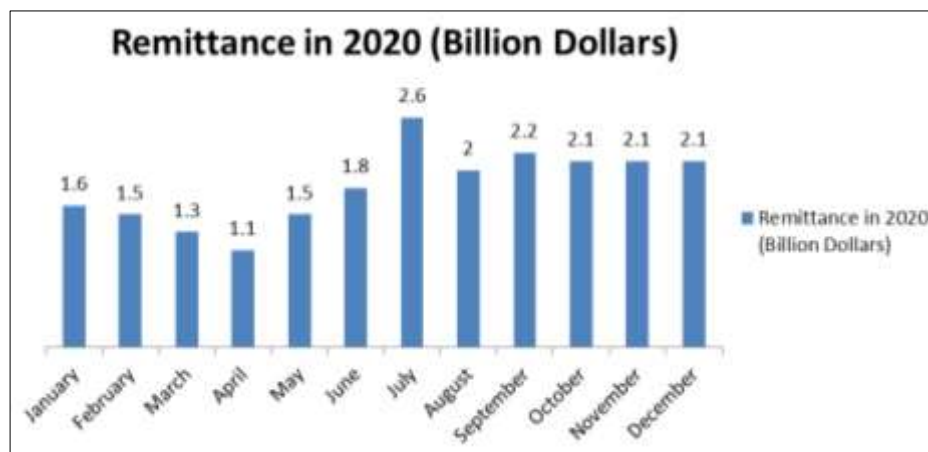


Fig 1: Remittance Inflow in the year 2020 (Source: Bangladesh Bank)

Continuous remittance flow in the year 2020 can be seen in Figure 1. These remittances have endured during lockdowns planned to end the COVID-19 pandemic. Year-on-year remittances tumbled by 25 percent in April 2020, and that month the World Bank anticipated that South Asian nations may confront a 22 percent decrease in remittance during 2020, as a feature of a worldwide drop that it called "the most honed decrease in ongoing history." Those appraisals could be additionally refined as the pandemic continues. (Sorkar, 2020) ^[8].

Family units dependent to foreign remittances have abruptly been faced with brutal troubles meeting their food, wellbeing, training, and lodging costs at the micro level. These families would typically invest the earnings they get through remittance in accommodation and different areas, in this manner producing monetary movement inside Bangladesh. In any case, those exercises have slowed down, making a gradually expanding influence inside the country.

As per the Refugee and Migratory Movements Research Unit (RMMRU), remittances represent 85 percent of daily consumptions for the families of abroad workers. A little over half of these families are absolutely dependent on remittances for their livelihood. Time and again, each migrant manages the living cost of multiple family members back home, more or less all of whom are at the fringe of the economy. Hence, every individual migrant's condition has numerous impacts on the livelihood of many people. (Sorkar, 2020) ^[8].

The effect of this monetary freeze is felt both by workers ended in their work just as by would be expatriates who were hoping to bring in cash abroad yet now can't. As per an assessment by BRAC, approximately 150,000 would-be migrant workers discovered their arrangements wrecked as of June 2020. The typical interaction of enrollment has been deferred. The year-wise (2010–2020) trend of overseas employment can be seen in Figure 2.

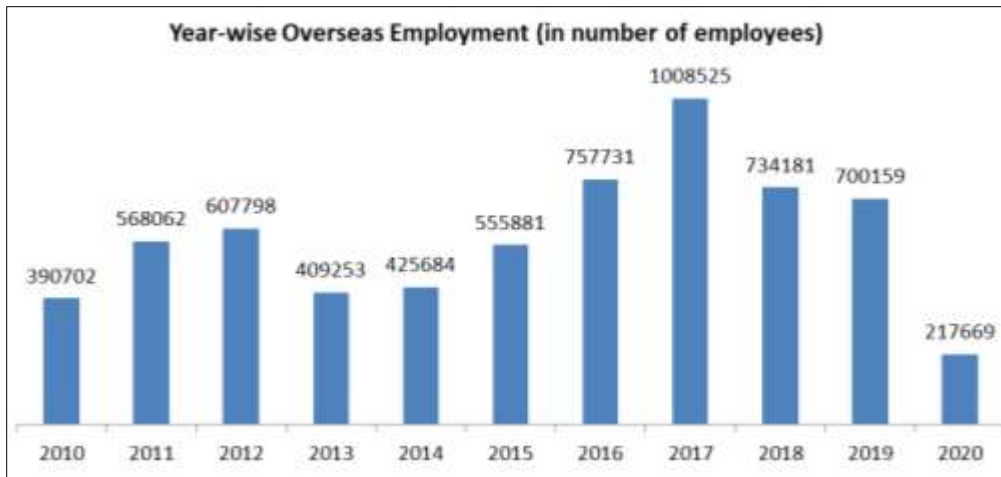


Fig 2: Year-wise Overseas Employment (2010-2020) of Bangladeshi Workers (BMET, 2020)

Up until now, Bangladesh has set up an asset of BDT 2 billion for returnees and has dispensed BDT 200 million in real money motivating forces for abandoned specialists through Bangladeshi missions. Additionally, to begin private companies, returnees can take credits of up to BDT 500,000 at 4% interest from Probashi Kallyan Bank (PKB) - the only state-possessed bank that gives direct monetary help to returnees. In the proposed spending plan for FY20, another BDT 5 billion was allotted for fortifying and broadening advance offices. ("Covid-19: an uncertain homecoming for Bangladeshi migrant workers | UNDP in Bangladesh", 2020)

At the same time, Bangladesh is investigating work markets in Africa and Europe (explicitly in the farming and wellbeing areas) given declining open positions in customary work advertises in GCC nations and Southeast Asia. On a decent note, Bangladesh is in talks with Malaysia to regularize undocumented migrant workers to permit them to work in the country in the wake of the crisis. Currently, an expected 200,000 of around 800,000 Bangladeshis are accounted for to be undocumented migrants in Malaysia. (Hasan, 2021) In spite of positive turns of events, the reaction faces its own arrangement of difficulties particularly as to bring movement back. Even though the Expatriate Welfare and Overseas Employment Policy 2016, the key public strategy accommodates restoring returning migrant workers, Bangladesh has been focusing on active workers over returnees. In 2015, ILO recorded key difficulties for returnees: absence of data on business patterns and open positions, hindrances in admittance to formal credit, and nonappearance of warning administrations. Take the instance of Probashi Kallyan Bank. While it is offering reintegration advances for beginning private ventures, potential candidates need to follow confounded systems for getting to the credit. ("Covid-19: an uncertain homecoming for Bangladeshi migrant workers | UNDP in Bangladesh", 2020)

4. Recommendations

The government has already taken several initiatives to minimize the effects of COVID-19 on migrant workers. Apart from those initiatives the following strategies can be taken to minimize the risk and vulnerability of the migrant workers:

- The incentives announced by the government for assisting them should be continued until the situation

turns into a normal one. Cash assistance and loans for the returnee workers could be delivered through overseas Bangladesh High commissions, and Expatriates' Welfare Bank.

- Providing workers with investment and employment-related support services. Proper steps should be taken to utilize the skills of repatriate workers in the domestic market.
- Bangladeshi workers are mostly unskilled or semi-skilled, and are largely employed in less productive areas; therefore, they tend to be at higher risks during times of hardship. Thus, priority should be given for grooming a more trained and skilled workforce, so that they can accommodate in the overseas jobs market in a more productive manner.
- Migrant workers who have lost jobs throughout the pandemic can be accommodated by other companies that have need of more work. Workers could be temporarily moved to other required areas such as agriculture or animal husbandry until the economy returns to a normal condition, rather than being unpaid to work. (Sorkar, M. 2020) [8].
- A list of workers should be prepared by BAIRA (Bangladesh Association of International Recruiting Agents) for those who have paid required fees for overseas employment. They should be provided with extended needed services. Additional airlifts may be arranged for the migrant workers who are looking for returning to their host countries and the concerned authorities should come forward to resolve their testing, documentation and visa-related problems. (Ahmed, H. 2020) [1].

5. Conclusion

The remittances come through Bangladeshi migrant workers as well as the involvement of repatriate workers in the domestic market both are vital for the country's economic recovery from the dire impact of Covid-19 pandemic. The administrative difficulties should be minimized as much as possible, so that the expatriates become more encouraged to send money through lawful channels in order to boost the flow of remittances. Additionally, there is no option in contrast to boosting and strengthening diplomatic activities for sending back the returnee workers and preventing their return from host countries. A few difficulties like becoming victims of fraudulence and trickery after going abroad, and

torments-suppression suffered by female workers through their overseas employers need to be addressed urgently, without which it is not possible to ensure an improved position for the migrant workers. The destiny of Bangladesh's migrant workers has intense implications on their host countries, as well as their groups of origin; therefore obligations related with their welfare should be shared commonly.

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