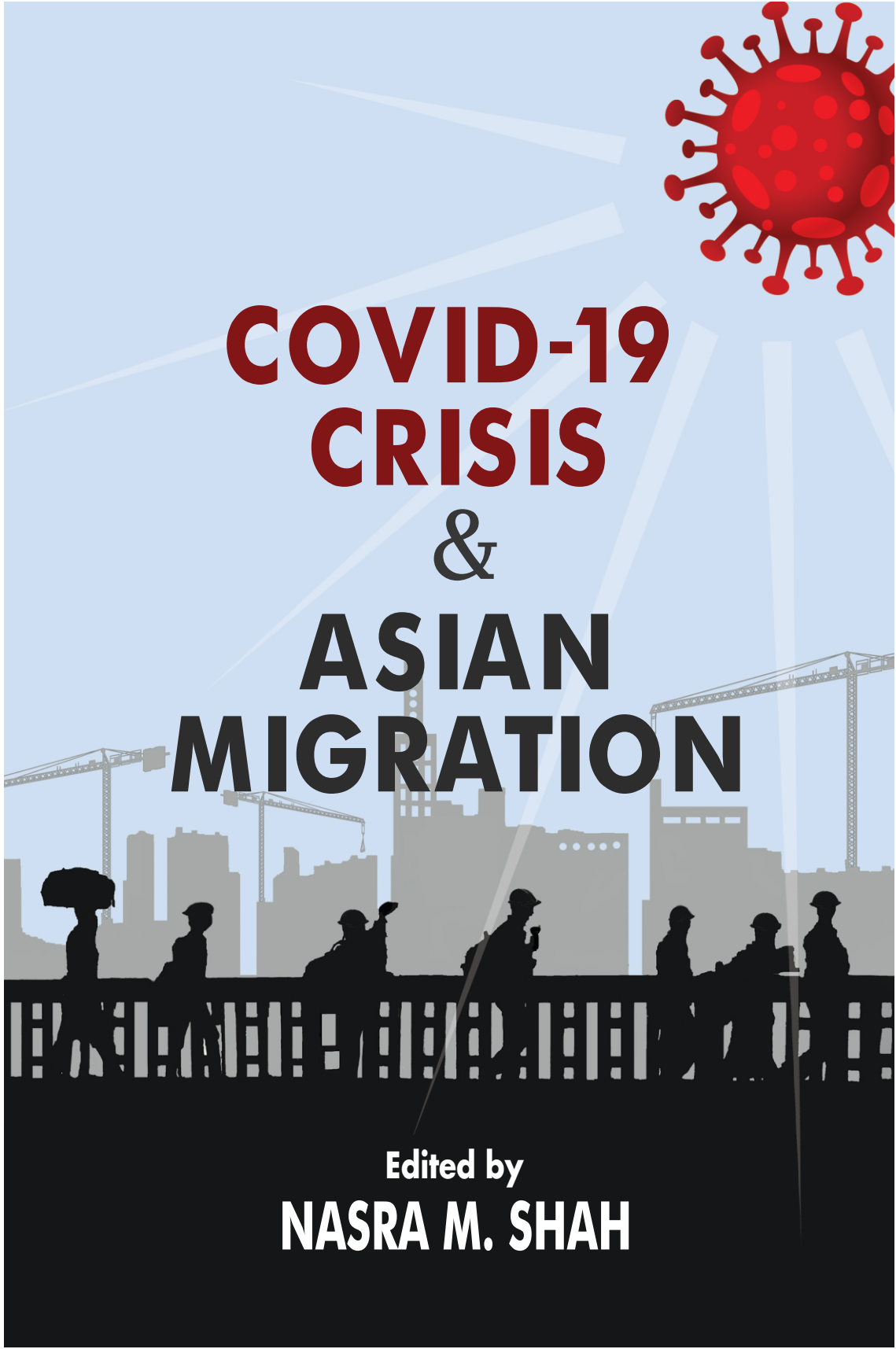


COVID-19 CRISIS & ASIAN MIGRATION

Edited by

NASRA M. SHAH

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Lahore School of Economics

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Preface

When the country and our campus went into lockdown on 16 March 2020, after the World Health Organization declared the global Covid-19 outbreak a 'pandemic', many new challenges suddenly emerged. One of these was in refocusing our research plans to assess the impact of the pandemic on the phenomenon of international migration. At the Center of International Migration, Remittances and Diaspora (CIMRAD) at the Lahore School of Economics, we approached this by organizing two webinars. The first focused on the impact on international migration from Pakistan, held on 30 June 2020. The second was designed as a book project aimed at highlighting the impact of the pandemic on South and Southeast Asian countries, held on 27–28 October 2020. CIMRAD was privileged to receive contributions from leading experts and scholars on the subject, resulting in this volume.

Over the last few decades, South and Southeast Asia have become increasingly significant origins of migrant workers, many of whom have proceeded to the oil-rich Arab Gulf region as temporary workers concentrated in relatively low-skilled occupations. Such workers were needed in the host countries for lofty development plans that could not be realized by the indigenous labor force, which was insufficient both in terms of numbers and requisite skills. The demand for migrant workers slowed down as a result of declining oil prices that preceded the pandemic and the additional shrinkage of economic activity caused by the pandemic. To the growing body of migration research, the Covid-19 pandemic thus added a new—and unexpected—dimension highlighting the need to assess its wide-ranging impact on the work and lives of migrant workers, their families, their savings and remittances, and the likelihood of their continued residence in host countries.

The topics in this volume cover a wide landscape, including ideas for a theoretical framework for understanding the impact of the pandemic on migrants, communities and societies; migration governance by sending and receiving countries, and asymmetrical relationships between them. A multitude of impacts are illustrated by the case studies of Bangladesh, Malaysia, Nepal, Pakistan, the Philippines, Singapore, and Sri Lanka. Irregular migrants are highlighted as an especially vulnerable group. Trends in and patterns of remittances, which have become an increasingly significant part of the GDP of many Asian countries, are also analyzed. Finally, several noneconomic factors likely to affect the future flow of migrants to the Gulf countries are discussed.

We invited four eminent migration scholars to comment on the papers presented at the October webinar. Ibrahim Awad, Manolo Abella, Lubna Al-Kazi, and Shabrinath Nair provided highly insightful comments that helped enrich the discussion and revisions of the papers.

I am deeply grateful to all the authors and discussants for their contribution to this volume and for documenting difficult migration outcomes at a difficult time in our history.

Rashid Amjad, the director of CIMRAD, was the main force that encouraged the formulation, development and execution of this project. He was supportive throughout the process and provided necessary inputs from conception to completion. My colleague, Fareeha Zafar, chaired the webinar sessions, reviewed some papers and lent much-needed support. Maham Hameed provided diligent and untiring assistance throughout the project, including the webinars in which she was very ably supported by Almazia Shahzad. Maham assisted in several organizational tasks and was tireless in sending numerous reminders and queries to authors.

Each paper went through a critical review by me and members of the CIMRAD team; the authors were highly cooperative in considering and incorporating our suggestions. Once final versions were received, Maheen Pracha provided meticulous and highly professional input by copyediting the manuscript. I am grateful to

all the persons who enabled the completion of this project. I hope that future research will continue to enhance our understanding of the impact of the pandemic on migrants, their families and communities, and the related consequences for Pakistan.

Nasra M. Shah
November 2021
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Chapter 1

Introduction

Nasra M. Shah

It is evident, even in early 2021, that the Covid-19 pandemic has had a very wide-ranging impact on migrants and their home and host countries. How long this impact will persist is unknown and will depend largely on two main factors. The first is economic recovery, which will determine the future demand for migrant workers who constitute the bulk of all migrants in the world. The second is the speed at which it will be possible to provide protection against the pandemic, such as vaccinations and other public health measures as well as people generally adopting preventive behavior. In the meantime, most migrants—especially low-skilled ones—are faced with enormous challenges. In South and Southeast Asia, which is the focus of this book, at least half of all migrants are low-skilled workers, with many of them working in the Gulf Cooperation Council (GCC) countries.

Over the last four to five decades, South and Southeast Asia have become exceedingly important points of origin for migrants moving for work, especially within Asia. India, Bangladesh, Pakistan, the Philippines, Sri Lanka, and Indonesia are among the major Asian countries that have sent millions of migrants to meet the labor force requirements of the oil-rich Gulf countries of West Asia and other destinations in recent years. According to estimates by De Bel-Air, presented in Chapter 3, there were some 22 million Asians in the six GCC countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) on the eve of the pandemic. They constituted 72.4 percent of all foreign

nationals in a foreign population of 30.4 million. India had the largest number, estimated at 8.6 million, followed by Bangladesh (3.6 million) and Pakistan (3.0 million). Workers' occupations and skill levels diverge significantly by nationality, representing a hierarchical structure, with a much smaller percentage of Asians working in managerial and professional occupations compared to Westerners and Arabs.

March 2020 marked a turning point in history: sudden, unexpected brakes were put on the departure of thousands of workers whose papers for emigration had already been processed. At the same time, an unusually large unanticipated number of migrants started returning to their home countries. In the case of Pakistan, for example, based on various assumptions, Arif and Farooq estimate that, around 0.6 million to 1.7 million Pakistani workers may return home in the short term. An estimated 1 million Pakistanis may not be able to secure overseas employment during 2020–22. Returnees may constitute 0.8–2.5 percent of the Pakistani labor force and could exacerbate unemployment in Pakistan, which would have a significant impact on high-migration areas in the country (see Chapter 5).

Bangladesh saw the return of 170,573 migrant workers during the first six months after 1 April 2020, once transportation facilities resumed (Abrar, Chapter 10). In the case of Nepal, not only did very large numbers return, but also about 115,000 workers (who had already been approved for departure) could not fly out. Gurung and Rai (Chapter 6) estimate that about 20 percent of Nepali workers will lose their jobs and may be forced to return home, including about 100,000 from Saudi Arabia and 70,000 from Qatar. The Sri Lankan experience, like that of other countries, saw the number of migrants leaving the country decline to only 362 in August 2020 compared to 18,905 in the same month in 2019. Weeraratne (Chapter 7) estimates that about 100,000 potential migrants may not be able to proceed overseas for employment. For the Philippines, Asis (Chapter 11) indicates that the government calculates that some 300,000 workers have been displaced.

Workers in low-skilled occupations are more vulnerable than those in mid- or high-skilled occupations. Not only do they earn significantly less, but they are also more likely to face delayed payment or even nonpayment of wages. Moreover, greater competition in a tight labor market makes them more easily replaceable and they are more likely to have irregular status. The broad category of irregular migrants may include—among other reasons—those who overstayed a valid work or visit visa, asylum seekers waiting for acceptance, or those whose status became illegal because of job losses after the pandemic resulted in business closures. In developed countries, irregular migrants are likely to fall outside the social safety welfare net provided to citizens and legal residents, as documented by Iqbal in the case of Pakistani irregular migrants to various European and North American countries (Chapter 9). In developing countries, irregular migrants run a higher risk of being marginalized in the welfare efforts of the government, particularly in cases where resources and financial means are limited.

Fargues (Chapter 2) strives to outline the elements of a possible analytical framework to understand the association between migration and the prevalence as well as spread of Covid-19. He identifies some factors that are likely to put migrants at greater risk of catching the disease, including their more precarious occupations, poorer living conditions and lower access to healthcare. He argues, however, that no univocal outcome can be expected in this regard, as shown by the evidence published to date. While he finds a positive association between immigrants in the GCC region and the prevalence of the disease, a conclusive statement about this association is not possible due to insufficient data.

Among relatively more vulnerable migrants, women engaged in low-skilled occupations such as domestic work can be singled out as a category needing special attention. A rise in domestic abuse during the Covid-19 crisis when families were largely confined to their homes has been noted (UN Women, 2020; World Health Organization, n.d.). Stressful situations may have especially negative consequences for live-in domestic workers in terms of verbal, physical or other types of abuse. The lockdowns

have restricted social activities (for example, church or mosque attendance), which provide a much-needed safety net for millions of migrants away from their children and families. Asian countries differ considerably in terms of the gender breakdown among their migrant workers. Pakistan sends a negligible percentage of female migrants overseas, estimated at only 0.4 percent of all migrants between 1971 and September 2019 (International Labour Organization, 2020). In contrast, 35 percent of Sri Lankan migrants consisted of female domestic workers in 2019 (Weeraratne, Chapter 7). The percentage of females among all migrant workers originating from the Philippines was about 55 percent in 2010 and 57 percent in 2014 from Indonesia, with a substantial percentage of these employed as domestic workers (Shah, 2018). Bangladesh has changed its policy regarding the migration of female domestic workers in the last three to four years, and women constituted 16 percent of all migrants in 2016. While some chapters in this volume touch on the subject, comprehensive research on the impact of the pandemic on this group of workers is urgently required.

In certain situations where migrant workers live in cramped and unhygienic conditions, the threat to their health is greater than that of the general population. Not only have they been at greater risk of catching or transmitting the disease, but also many of them have not had access to health services. In the Gulf countries, low-skilled male workers in occupations such as the construction industry are housed in camps that are frequently located outside the main city, are overcrowded and fail to meet the necessary hygienic conditions. Thus, mortality and morbidity levels may be especially high among such groups. In the early days following the resumption of flights from the Gulf to Asian countries, returnees exhibited an unusually high prevalence of positive Covid-19 cases. Several Asian countries complained about this to the host countries. Singapore, a relatively high-income country, is nonetheless, home to a large number of low-skilled migrants, frequently housed in dormitories where living arrangements were inadequate to counter the Covid-19 pandemic. Thus, as reported by Wickramasekara (Chapter 8), these dormitories proved to be large clusters of the

infection, and 93 percent of cases in the country were found among migrant workers.

Since Covid-19 is highly contagious, migrant returnees affected by the disease were stigmatized in some countries. Abrar notes that some returnees to Bangladesh encountered hatred and ill treatment. Thus, 'within a short time, the much celebrated "remittance heroes" were turned into villains and branded as purveyors of the contagion' (Chapter 10). Asis observes that local government units in the Philippines were concerned about returnees who might bring back the virus (Chapter 11). Hence, for a country that is otherwise known for valorizing its overseas foreign workers, some returnees to the Philippines were feared as potential transmitters of disease. Research on the perception of returnees is absent for most other countries covered in this volume.

Stigmatization and xenophobia in the host countries has led to migrants being blamed for the spread of the contagion. Most Gulf countries have sought to protect their citizens against the virus by imposing curfews and lockdowns and by barricading the areas where migrants live, to control transmission. The same is true of Singapore and Malaysia, as Wickramasekara documents (Chapter 8).

Beyond the obvious impacts on people's health in terms of contracting the disease and recovering from or dying of it, the psychosocial impacts generated by anxiety and fear will be harder to quantify. Psychological impacts such as post-traumatic stress disorder can compromise the health of populations for many years following a stressful event. Being confined to the house, the uncertainty about who might fall victim to the disease and who might be a carrier, combined with many unanswered questions about the proper management of the disease, could all have psychosocial outcomes that may manifest themselves in unknown ways, and may last for years. A priority area would be to assess the factors that raise anxiety and stress to devise coping strategies and programs for the future. The chapters in this volume have not dealt with this topic and it remains an important area for future research.

For countries that send migrant labor abroad, the sudden and perhaps protracted decline in remittances will present a serious challenge. According to a World Bank (2020) estimate, remittances to low-income and middle-income countries are expected to decline by 19.7 percent in 2020 due to the Covid-19 crisis, with South Asian economies experiencing a 22.1 percent decline in the growth rate of remittances. However, in contrast to the World Bank's estimated declines, post-Covid-19 data from some countries such as Sri Lanka and Pakistan indicates that remittances have not fallen as anticipated. Weeraratne attributes the better-than-expected performance of remittances during May–August 2020 to a combination of backed-up remittances, a shift from informal to formal channels, and new remitters entering the market (Chapter 7). She claims, however, that 'this unanticipated increase is mostly an illusion for many remittance-receiving households in Sri Lanka and would not translate into significant gains.' In the case of Pakistan, Shahzad's analysis in Chapter 4 shows that remittances to the country experienced an unprecedented increase. She explains this phenomenon as resulting from factors such as a diversified diaspora residing not only in the Gulf, but also in several Western countries; accumulated remittances from savings; and a response to attractive investment schemes by the government for overseas Pakistanis.

In addition to providing much-needed foreign exchange, there is increasing evidence that remittances reduce poverty at the household level. Dependence on remittances is especially acute in some countries such as Nepal, where remittances form the major source of income for 56 percent of households, as Gurung and Rai note in Chapter 6. In the case of Pakistan, about 7 percent of all households include a migrant who has gone overseas during the ten years prior to the Pakistan Demographic and Health Survey conducted in 2017/18 (Arif and Farooq, Chapter 5). Loss of such remittances and the possible return of the earning migrant could be economically devastating for such families and translate into major social impacts such as the inability to invest in children's education, especially for girls. Thus, there is a need to document such impacts at the macro as well as micro level.

Governance and the management of returnee migrants has been a key challenge for the sending countries. While all Asian countries have arranged to repatriate their nationals, including migrant workers, there are major differences in perceptions of, and policies for, handling repatriated workers. Two contrasting situations reflected in the chapters by Abrar for Bangladesh and Asis for the Philippines illustrate this. Abrar notes that certain high-ranking officials in Bangladesh made highly inconsiderate and insensitive remarks about returnees as a threat to public health, contributing to their public stigmatization. Furthermore, the imprisonment of some returnees who had been deported from various countries on account of offences committed in their host countries seems to have been unjustifiable. Abrar believes that such treatment of deported workers was not justified in most cases since due diligence was not carried out in assessing their cases. In the Philippines, the government instituted several different policies and programs to support repatriated workers and ease their reintegration into the country. The Philippines assisted returnees by providing one-time compensation of USD 200 as financial assistance through a special repatriation fund established for this purpose. They were also provided free Covid-19 testing, transport to a quarantine facility, and food and accommodation during the quarantine period. In discussing the contrast above, it must be acknowledged that Abrar's goal is to point out the gaps in assistance by the Bangladesh government while that of Asis is to outline the support mechanisms that the Philippines has put in place. Indeed, the Philippines appears to be far ahead of other Asian sending countries both in terms of legislative efforts and administrative structures designed to safeguard the welfare of its migrant workers, routinely and in times of an emergency such as the Covid-19 pandemic.

One of the administrative instruments designed to protect migrants in the host country consists of onsite diplomatic missions (embassies). Asian countries provide various kinds of assistance to migrant workers, including consular and other services. They provided various types of assistance during the pandemic, such as registering and repatriating migrants and issuing travel documents

to those who did not have them. In a comparison of the practices and strategies of the diplomatic missions of Nepal and the Philippines in the Gulf countries following the pandemic, Froilan and Tiwari (Chapter 12) find the response of sending country missions to be weak, especially in the case of Nepal. The authors attribute this to the power asymmetry between sending countries and the GCC. They report that the vulnerabilities faced by migrants in normal times were exacerbated during the pandemic. Wickramasekara reports that, in the case of countries such as Malaysia, the host government provided limited help to workers and took the position that migrant workers were the responsibility of their respective embassies (Chapter 8). Migrants were considered a security threat and their role in building the economy was not duly acknowledged.

Estimating future trends and patterns of overseas migration from Asian sending countries is a risky business when faced with the numerous unknowns that determine the demand for such migration. While economic recovery may be the most important determinant of future trends, social, cultural and political factors are also likely to play a crucial role. Such factors have aided the outflows from South Asian countries to the Gulf, as Shah and Hameed discuss in Chapter 13. They identify four noneconomic factors that may play a critical role in aiding or hindering future migration: (i) the continuation and dependence on the *kafala* (sponsorship) system, (ii) the facilitative role played by formal as well as informal networks, (iii) the attitudes and policies of the host countries, and (iv) the competitiveness of Covid-19-free migrant workers. These underlying factors should be recognized by sending countries as important elements of future demand for their workers.

Even before the pandemic, a general increase in anti-immigration sentiments had been observed in several Western countries. Such sentiments are likely to have been exacerbated since the onset of the crisis. An example is that of the former US president, Donald Trump, who planned to suspend all immigration for six months following the outbreak of Covid-19. Similarly, most Gulf countries already believed, even before the pandemic, that the level of immigration to their countries was too

high and needed to be curbed. This belief has solidified further. Some have taken concrete actions to actualize their restrictive policies. For example, Kuwait instituted legislation to reduce the number of migrant workers by the end of 2020. Such policies forewarn a worldwide shrinkage in job opportunities.

This volume provides partial answers to various questions surrounding the impacts of the Covid-19 pandemic on trends and patterns of future migration from several Asian countries. We can conclude that most sending countries will face a decline in outflows, at least for the next two to three years, usually accompanied by a dampening of remittances. This is likely to increase the asymmetric power relations between sending and host countries. Elements that have subjected migrants to exploitation in the past may also be aggravated. An increase in the percentage of irregular migrants may be one outcome of the current situation.

Some additional questions that remain unanswered are as follows. Will the nature of economic activity change in the host countries as world economies—including the Gulf—shrink? If so, will the unskilled workers who comprise a large proportion of Asian migrant workers still find jobs overseas? What will be the long-term trends in remittances to home countries? In countries facing a loss of remittances, what impacts will we see on households and poverty levels, and what larger impacts might ensue on society? Will returning migrants be adequately compensated if they lose their jobs or will they face wage theft by employers? Will the host country take any responsibility for accommodating workers who have contributed to its economy for years, or will the country of origin be obligated to bring them back despite the adversity it is already facing? How well will governments and employers adhere to the tenets advocated by the United Nations (2020) of inclusiveness, protection of migrants' rights, safety for all, and treating migrants as part of the solution? The record of most countries covered in this volume suggests that they fall short of upholding these tenets. Future research must continue to evaluate the performance of home and host countries in terms of how well they cope with the negative impacts of the pandemic and succeed in protecting migrants, communities and societies.

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Chapter 2

Covid-19 and international migration: Elements of an analytical framework

Philippe Fargues

What are the links between the coronavirus disease 2019 (Covid-19) and international migration? Three characteristics of Covid-19 must be considered to address this question:

1. Covid-19 is a disease. It affects individuals and must be dealt with in terms of exposure (who is at risk of catching the disease and with what probability?) and outcome (from complete recovery to death).
2. Covid-19 is highly contagious. It took a few months to spread from its point of origin to every corner of the world. How the disease circulates must be understood in terms of transmission (from whom to whom) and context (from individual pathologies playing as cofactors to collective conditions such as population density and air quality, among others).
3. Covid-19 has promptly compelled large-scale measures by public and private actors, with considerable consequences for economies and societies.

Each of these aspects can be a matter of specific interaction between Covid-19 and international migration.

1. Are migrants more (or less) susceptible than nonmigrants to the disease? Is Covid-19 lethality—the ratio of deaths to cases—higher (lower) among migrants than among

nonmigrants in the same population? Both questions must be addressed separately in migrants' origin and destination populations.

2. Is international migration a factor in the circulation of the virus? If so, in what direction—from origin to destination? The other way around? In both directions?

3. What ramifications do states', firms' and other actors' responses to Covid-19 produce for countries (of origin, of destination) and groups of population (natives, migrants)?

We discuss the first two questions successively and use the third to frame concluding remarks. Whenever possible, examples from the South Asia–Gulf states corridor are cited.

Covid-19 as a disease

Global statistics on the spread, prevalence, and outcomes of Covid-19, with daily updates at national and often subnational levels, are available from open-access databases.[1] This is an exceptional situation in population statistics and offers a unique opportunity for time and space analyses of the disease. There are limitations, however.

The number of reported cases of contaminated individuals depends on the extension of tests and other screening practices in the total population. The number of deaths attributed to Covid-19 depends on how causes of death are identified and recorded. Accordingly, the statistical coverage of series, cases, and deaths must be expected to vary by period and country, thereby affecting trends and international comparisons.

Apart from unverifiable completeness, another limitation arises from the paucity—often sheer absence—of individual variables related to contaminated and deceased persons. In particular, Covid-19 global databases do not provide breakdowns by country of birth or country of citizenship, thus making it

[1]The Johns Hopkins Coronavirus Resource Center is the world's most well-known reference (https://coronavirus.jhu.edu). Worldometer, a more user-friendly database based on crowdsourcing and algorithms, can be found at https://www.worldometers.info/

impossible to directly explore the relationship between the disease and international migration at a worldwide level. Yet, there is a growing abundance of empirical evidence that a relationship exists.

In terms of exposure, migrants would generally be more exposed than nonmigrants to contamination by Covid-19. This could be particularly the case of the Gulf states (see Alhussein, 2020) for the following reasons, among others:

- Migrants have more often at-risk occupations than natives. Health workers or migrant domestic workers are good examples of such occupations characterized at the same time by over-exposure to transmissible diseases and over-representation of migrants. Many typical migrant occupations expose individuals to direct contamination by Covid-19, while precarious working conditions may also affect their immune systems and increase the risk of exposure ending up in contamination.
- Migrants more often endure substandard living conditions. This applies particularly to those living in overcrowded structures, such as labor camps, dormitories, or collective apartments, which is the case of most low-skilled migrant workers in the Gulf states (Asi, 2020). In Qatar, expatriate craft and manual workers accommodated in high-density housing were found to be at particularly high risk of catching Covid-19 (Abu Raddad et al., 2020).
- Migrants might have poorer access to healthcare than locals, particularly in countries with no universal health insurance. This handicap certainly impacts the way a disease is treated and, therefore, its outcome. However, its impact on exposure to a virus must be relativized unless one refers to an individual's general health and immune system. Gulf Cooperation Council (GCC) countries have health systems by which the state provides migrants with limited access to primary healthcare—the definition and extension vary according to country. For the rest, migrants' medical costs are covered by private health insurance, purchased by either the

employer (UAE, Qatar) or the migrant employee (Bahrain, Kuwait, Oman, Saudi Arabia) (Economic and Social Commission for Western Asia and International Organization for Migration, 2019).

In terms of outcomes, no univocal relationship should be expected.

On one side, the above-listed factors of migrants' over-exposure to Covid-19 should turn into a mortality disadvantage. And indeed, migrant excess mortality by Covid-19 has been evidenced in several countries, such as France (Papon & Robert-Bobée, 2020) and Sweden (Drefahl et al., 2020). In England and Wales, age-standardized mortality rates of death involving Covid-19 show dramatic differentials by ethnic group: male mortality rates by Covid-19 range from 87.0 deaths per 100,000 population among the white population to 119.5 among Chinese, 157.6 among Indians, and 255.7 among the Black population (White & Nafilyan, 2020). However, the link with migration cannot be established as belonging to an ethnic minority does not mean being a migrant. In Italy, by contrast, being a migrant was found to have no impact on Covid lethality (Canevelli et al., 2020). In Kuwait, the probability of migrants dying among Covid patients admitted to intensive care proved to be twice as high as among Kuwaiti nationals, once controlled for age and several confounding factors (Hamadah et al., 2020).

On the other hand, migrants contaminated by Covid-19 could, under certain circumstances, be more likely than nonmigrants to develop a mild form of the disease and consequently face lower mortality. This could result from various factors, including the three following:

– *Age*. Epidemiology has shown that the older the contaminated individual, the higher their probability of developing a severe form of Covid and eventually dying. For the mere reason that they are on average younger than natives, migrants are more likely to be exposed to a mild, nonlethal form of the disease. The advantage of age could be particularly marked in the South Asia–Gulf states corridor where the vast majority of

migrants—arriving on short-term contracts with few prospects of settling—leave the country before reaching old age, at which Covid's lethality increases fast. However, it must be noted that this advantage disappears if age-standardized mortality rates are used for comparison.

– *Selectivity*. Migrants are not representative in all respects of their population of origin. For one, the 'best and fittest' are more likely to leave their homeland and accept the hazards this entails (self-selection). Moreover, employers and the public administration in destination countries often ask for proof of good health as a condition for granting immigration rights (selection by others). As healthy people, migrants are more likely than nonmigrants to be free of the pathologies that increase Covid's lethality.

– *Statistical artefact*. The country of death is not necessarily the country where the disease was contracted. A migrant person hit by Covid in the destination country may return home before dying. In case bodies are repatriated to the deceased's homeland, it is not clear in which country the death is counted. Deaths by Covid recorded in the destination country would represent only a part of migrants' overall mortality attributable to the disease. The count of migrant workers from Nepal whose bodies were repatriated to their homeland after they died from Covid in the GCC countries suggests that significant numbers are involved (Bhattarai & Baniya, 2020).

Covid-19 as a pandemic

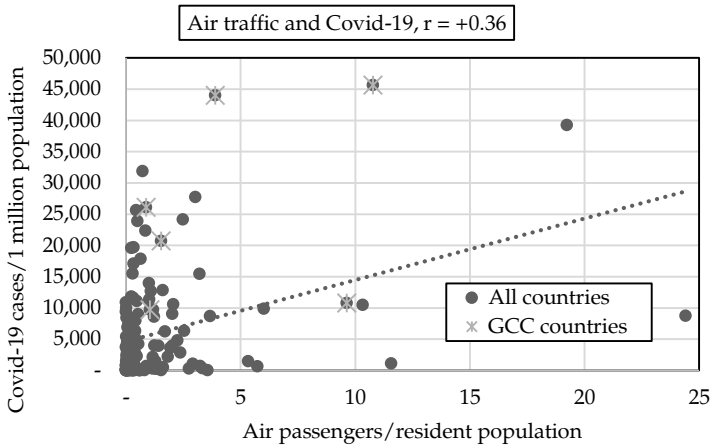
It took just a few months for the virus to spread from the city where it first appeared and reach every part of the world. The global circulation of infected people and ensuing contamination of others led a local epidemy to develop into a global pandemic. International migrants are, by definition, people moving between countries, and one may wonder whether migration has favored the circulation of the virus. The notion or prejudice that it did has triggered rising xenophobic and anti-immigrant discourse in various places worldwide, including the Gulf states and origin countries of migrants to the Gulf faced with massive returns of

their citizens (Alsahi, 2020; see also Guadagno, 2020). Does what we know about the pandemic bring any evidence about migrants playing a particular role in propagating the disease?

A preliminary remark is that, while any person who circulates is a potential spreader, international migrants are not the only ones who cross borders. International travelers are in the billions every year, while flows of migrants are in the tens of millions. What are the respective contributions of international migration and the global circulation of people to the transnational circulation of the disease? Though Covid statistics do not contain the variables necessary to address the issue, correlations between the disease and the mobility of people shed some light.

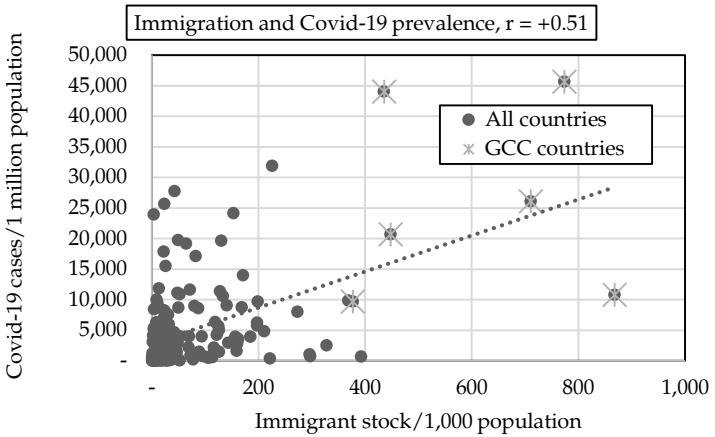
Figure 1 plots the prevalence of Covid-19 against the annual number of passengers carried by registered air carriers (the most recent year is 2019 for most countries). It shows a positive relationship between the disease and the circulation of people, but the correlation is not very high (r = +0.36). The Gulf states are marked by high values of both air passenger traffic and Covid prevalence.

Figure 1: Global circulation of people and Covid-19 prevalence



Sources: Annual number of passengers carried by registered air carriers, https://data.worldbank.org/indicator/IS.AIR.PSGR. Covid-19 cases per 1 million population, https://www.worldometers.info/coronavirus/ (retrieved on 12 October 2020).

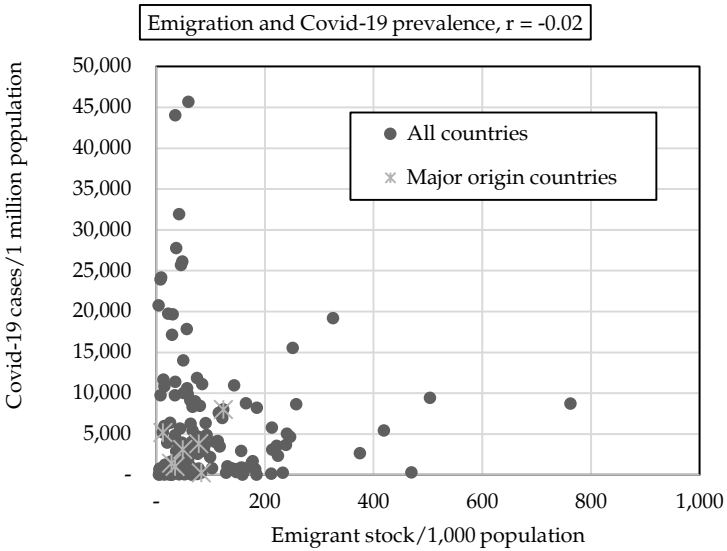
Figure 2: Immigrant stocks and Covid-19 prevalence



Sources: Immigrant stock, https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp. Covid-19 cases per 1 million population, https://www.worldometers.info/coronavirus/ (retrieved on 12 October 2020).

Figures 2 and 3 plot the prevalence of Covid-19 against the proportion of immigrant and emigrant stocks in the total population in 2019. There is a striking difference between the two. On one side, not only are immigration and the prevalence of Covid-19 positively associated, but the correlation (r = +0.51) is also significantly higher than in the case of air passengers. Is it that international migrants would be, more often than simple travelers, propagators of the virus, possibly as they stay longer at their destination? Or is it that they are more exposed to contamination by the virus for reasons reviewed in the previous section? The data is not sufficient for deciding between the two.

Figure 3: Emigrant stocks and Covid-19 prevalence



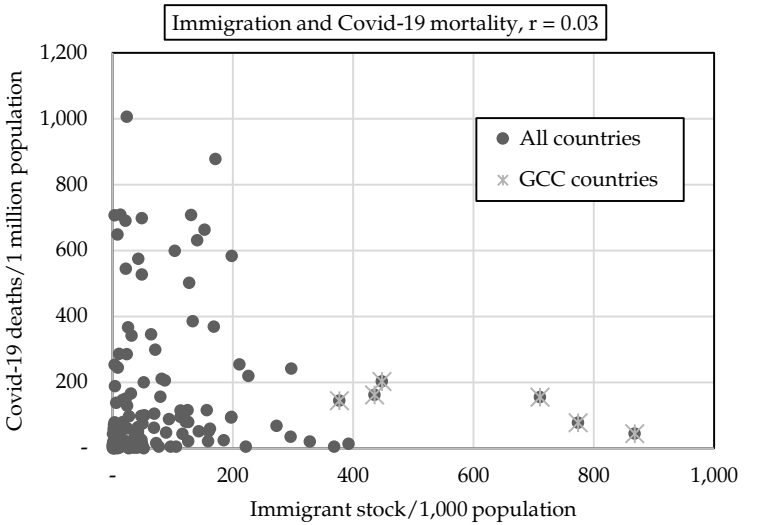
Note: The major origin countries are Bangladesh, Egypt, India, Nepal, Pakistan, the Philippines, and Sri Lanka.

Sources: Emigrant stock, https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp. Covid-19 cases per 1 million population, https://www.worldometers.info/coronavirus/ (retrieved on 12 October 2020).

On the other side, emigration and Covid-19 are not correlated. This could mean that migrants are more connected to people in the destination country (where they reside) than to people in the origin country (to which they occasionally travel). Moreover, migrants tend to be clustered in the destination country, typically if they live in specific neighborhoods or labor camps). At the same time, they are dispersed in the country's greater population where they represent typically a small minority.

This is particularly true of the major origin countries singled out in Figure 4—Bangladesh, Egypt, India, Nepal, Pakistan, the Philippines, and Sri Lanka—where the prevalence of Covid is in the lower to mid-range and emigrants, though in large numbers, are a small or medium proportion of the total population.

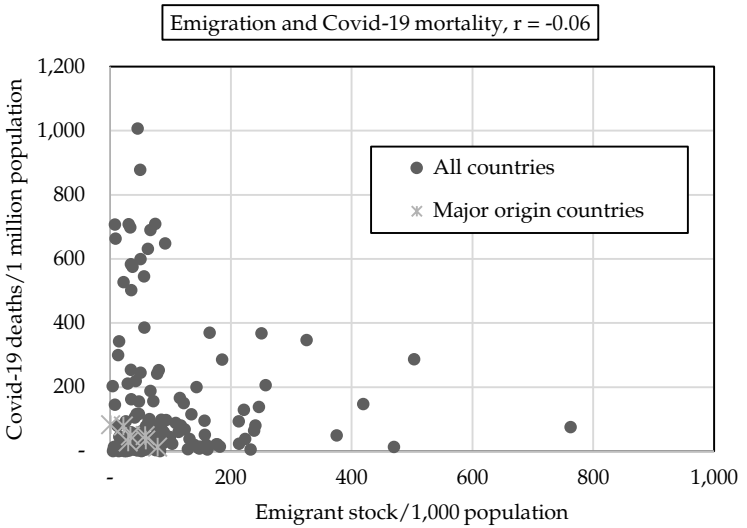
Figure 4: Immigrant stocks and Covid-19 mortality rates



Sources: Immigrant stock, https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp. Covid-19 cases per 1 million population, https://www.worldometers.info/coronavirus/ (retrieved on 12 October 2020).

The spread of the virus appears to be asymmetrically linked to the importance of the migrant population in the destination but not in the origin country—is its lethality related in any way to migration? Figures 4 and 5 plot Covid-19 mortality rates against the proportion of, respectively, immigrant and emigrant stocks in the total population. Neither shows any significant correlation. Mortality does not appear to increase with either the presence of large immigrant populations or the departure of large emigrant populations. This could signal that migrants, while more exposed to Covid, tend to develop less acute forms of the disease, possibly in relation to their lower average age.

Figure 5: Emigrant stocks and Covid-19 mortality rates



Sources: Emigrant stock, https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp. Covid-19 cases per 1 million population, https://www.worldometers.info/coronavirus/ (retrieved on 12 October 2020).

Concluding remarks: Measures to counter Covid-19 and its impact on migration

The discussion above focuses on migration's impact on Covid—at the individual level regarding exposure to, and outcomes of, the disease (the first section), and at a population level in terms of circulation of the virus (the second section). The symmetrical question, which is how Covid has impacted migration, has attracted much interest from researchers and practitioners. A short year into the pandemic, a rich literature has already been accumulated on the topic. Policy-oriented studies focus mainly on the consequences of the measures taken by public and private actors to counter the disease on migration flows, the condition of migrant persons, and the economic and social situation in migrant countries of origin and destination.

An overwhelming concern for affected countries since the pandemic broke out has been to tackle the spread of the virus and the seriousness of its health outcomes. For this, countries typically do the following:

- Restrict the cross-border mobility of people. According to the International Organization for Migration (2021), a total of 226 countries issued 110,320 travel-related measures in 2020, of which 81,035 consisted of medical requirements for entry and 29,285 related to passenger bans or airport closures.
- Contain the local mobility of people through lockdowns, curfews, and other measures that confine people to their homes.
- Prohibit a variety of activities that imply the displacement or gathering of people.

Regarding private actors, firms and businesses are predominantly concerned with minimizing the negative impacts that the above-mentioned governmental measures would inevitably have on their activity. They often carry out massive job destruction through layoffs and even bankruptcies, and certain employers resort to unlawful practices such as retaining wages and cutting workers' benefits.

Following measures taken in response to the Covid-19 pandemic, hundreds of thousands of migrants have lost their jobs and sources of income, risking at the same time the loss of their residence permits and consequent fall into irregular status. Many find themselves stranded, unable to stay in the destination country or return to their country of origin. The situation of migrant women is particularly alarming, notably that of migrant domestic workers over-exposed to disease, laid off, and trapped without housing and income. Many other migrants return home—a move that triggers massive flows in reverse.

Consequences for countries are considerable:

- In countries of origin, migrants' loss of resources translates into drops in remittance flows, while the unexpected return

of workers abroad generates bottlenecks in the labor market. These problems follow on the heels of the considerable disruption of local employment created by the pandemic.

– In destination countries, critical sectors that typically employ migrant workers are affected by drastic restrictions on international mobility. For example, consider the case of healthcare services that risk finding themselves depleted instead of being strengthened to face the pandemic. Social cohesion is at risk due to rising competition between migrants and locals in vulnerable jobs.

What long-term consequences will the pandemic produce on international migration? At the time of writing, no one can tell how long it will take to overcome Covid-19 and it is too early to discuss this issue. Nevertheless, one could speculate that renewed efforts to limit and control cross-border mobility risk exacerbating pre-existing tensions between contrasting visions of international migration—as a blessing for its contribution to development, but a test for its challenging social arrangements.

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Chapter 3

Asian migrants in the Gulf on the eve of the Covid-19 pandemic

Françoise De Bel-Air

The first cases of Covid-19 in the Gulf Cooperation Council (GCC) states were recorded in early February 2020.[1] By September 2020, the pandemic had claimed 859,208 cumulative cases and 7,585 deaths, for a population of around 57 million.[2] Based on official records, which may be treated with caution,[3] the Covid-related mortality rate for the region is 131 per 1 million population,[4] a much lower rate than those encountered in many other countries worldwide (Peru: 937, UK: 625, US: 578, Iran: 341).[5]

However, foreign migrants in the region were overrepresented among Covid-19 cases and deaths at the start of the epidemic. In Saudi Arabia, for instance, expatriates make up 37 percent of the total resident population, but by 20 April 2020,

[1] The six member states of the GCC are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE.

[2] Author's calculations, based on: United Nations, Department of Economic and Social Affairs (2019), revision 1 (mid-2019 data).

[3] The Gulf states were said to have massively tested resident populations, which increases the number of recorded infections, if compared to countries performing fewer tests. As for Covid-19-related death figures, it is impossible to assess their validity in the Gulf states due to (i) the possible classification of Covid-related deaths in a different category of mortality causes, and (ii) lack of data to assess the under-reporting of all immigrants' deaths in the region.

[4] Author's calculations based on World Health Organization records of coronavirus-related deaths as of end-September 2019 and UNDESA figures for national populations (mid-2019).

[5] https://www.statista.com/statistics/1104709/coronavirus-deaths-worldwide-per-million-inhabitants/. Population figures used in these rates are for 2018.

they constituted 73 percent of all confirmed cases of Covid-19 in the Kingdom and 83 percent of all new cases reported in that period.[6] Infected migrants made up 64.2 percent of cases recorded between 24 February and 17 April 2020 in Oman,[7] where expatriates account for 44 percent of the Sultanate's population.

The breakdown of coronavirus cases in Kuwait in mid-June 2020 also revealed that Indian nationals—22 percent of the resident population at the time—made up 57 percent of the cases recorded as of 19 April 2020.[8] In terms of economics, lockdowns to control the spread of the epidemic and the steep drop in oil prices precipitated the GCC countries into an economic recession. When compared to nationals of the Gulf countries, migrants have been disproportionately affected by salary cuts, unpaid leave and layoffs resulting from the downturn. Mass deportations to certain countries also occurred.

This chapter seeks to explain the exposure of migrants to the Covid-19 pandemic and the consequent economic downturn in the GCC states, with a focus on Asian migrants from India, Pakistan, Bangladesh, the Philippines, and Sri Lanka. We posit that the sociodemographic profile of Asian migrants in the Gulf states and the migration policies applied by Gulf authorities before the onset of the crisis created specific vulnerabilities among these migrants. These vulnerabilities increased their exposure to the dual crisis and exacerbated it.

The first section draws a general sociodemographic picture of migrants and migration from South Asian countries to the GCC region in the late 2010s, on the eve of the Covid-19 pandemic outbreak. The second section reviews the most significant policy measures applied to foreign workers in the Gulf states in the 2010s, namely the sponsorship system, the diversification of sending countries and job nationalization policies. The third section reviews the measures applied to migrants in the Gulf countries in the wake of the pandemic outbreak and the economic

[6] Saudi health ministry data from https://www.moh.gov.sa/en/Ministry/MediaCenter/News/Pages/News-2020-04-20-002.aspx
[7] Calculated out of a sample of 1,304 infected cases (Khamis et al., 2020).
[8] https://watcher.social/site/en/corona-statistics-1-4-2020/

downturn. It then unpacks the ways in which migrants' sociodemographic characteristics and the policies applied to them before the crisis made these measures possible, thus underlining the fact that the twin crises exacerbated, but did not create, migrants' vulnerabilities.

Demographic and socioeconomic characteristics of Asian migrants in the Gulf states

Demographic domination of Asian foreign migrants

In 2019 the six GCC countries hosted 30 million foreign citizens. These constituted 11 percent of the world's total migrant stock[9] and more than half (53 percent) of the Gulf region's resident population (Table 1). As many as 88 percent of the residents of Qatar and the UAE were foreign immigrants.

Table 1: Estimates of the figures of foreign nationals (selected nationalities), by country of residence in the GCC, 2018/19

	Country of destination						
Country of residence	*Bahrain*	*Kuwait**	*Oman***	*Qatar*	*Saudi Arabia*	*UAE*	*Total GCC (est.) ****
	(1) (2)	*(1) (2) (3)*	*(1) (2) (4)*	*(1) (2)*	*(1) (2)*	*(1) (2)*	
Bangladesh	82,518	281,131	690,407	263,086	1,246,052	1,079,013	3,642,207
India	318,547	1,012,104	748,461	698,088	2,440,489	3,419,875	8,637,564
Pakistan	78,638	109,427	257,105	90,000	1,447,071	981,536	2,963,777
Philippines	50,585	213,989	49,243	200,000	628,894	556,407	1,699,118
Sri Lanka	10,358	93,749	23,063	100,000	516,256	118,708	862,134
Total Asians (est.) ***	572,523	1,868,208	2,016,851	1,828,669	9,167,287	6,555,424	22,008,962
Total foreign nationals (est.) ***	782,000	3,218,525	2,022,470	2,499,057	13,114,971	8,587,256	30,224,279
Total population (est.) ***	1,641,172	4,621,638	4,601,706	2,832,067	34,268,528	9,770,529	57,735,640

Notes: * = figures for the five countries refer to end-2018, ** = figures for the five countries refer to mid-2018, *** = the totals provide the sum of population numbers at different dates; it is not exactly the total population at any of these dates.

Sources: (1) receiving countries' figures from Gulf Labour Markets and Migration Programme: https://gulfmigration.org/glmm-database/demographic-and-economic-module/

(2) UNDESA, total migrant stock by origin and destination countries, mid-2019: https://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN_MigrantStockByOriginAndDestination_2019.xlsx

[9] www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp

(3) Kuwait Public Authority for Civil Information data (administrative records): https://www.paci.gov.kw/stat/

(4) Oman, National Center for Statistics and Information, Population Statistics, issue 8, 2019.

The GCC-Asia migration corridor is the largest South-South corridor. The bulk of immigrants in the six GCC countries were from Asia (72 percent), making up between 58 percent and 92 percent of all immigrants in Kuwait and Oman, respectively.

An estimated 8.6 million Indians alone made up the largest share of expatriates in every GCC state (28 percent of all foreign residents in 2019), while Bangladeshis (about 3.6 million) and Pakistanis (about 3 million) ranked second and third. Indians surpassed the 2 million and 3 million-thresholds in Saudi Arabia and the UAE, respectively—the two largest recipients of foreign labor in the region. Indian nationals also constituted 31 percent of all foreign residents and half (54 percent) of all citizens of Asian states in Kuwait.

Some single Asian nationalities even outnumber receiving countries' nationals: in the UAE as well as in Qatar, Indians surpass in number the estimated 1.2 million Emirati citizens and the estimated 330,000 Qatari nationals. They also nearly equal Kuwaiti citizens (1.4 million), much like expatriates from Bangladesh in the UAE. Asian foreign residents therefore vastly outnumber Kuwaiti citizens, and in Qatar and the UAE, they outnumber nationals by about 1 to 6. The size of foreign and especially Asian communities may explain the reluctance of the governments of some Gulf states to disclose official figures of nationals.[10] More generally, as of 2019, only Bahrain, Kuwait and Oman had published some figures of expatriates disaggregated by country of citizenship, for selected nationalities.

[10] Qatar only publishes figures of nationals aged 10 and above; the UAE has not conducted any census since 2005. As of September 2020, the last data available on the UAE population in Emirati statistics are estimates (projections) for 2010, based on census 2005 figures.

Sociodemographic segmentation of Asian populations

Gulf populations are not only numerically dominated by certain Asian nationalities, but they are also distorted by sex and by age, which is ascribed to the large proportion of foreign workers and working-age males.[11] In Qatar, there were 3.5 men for every woman and four in the UAE in the mid-2010s. The sex ratio among foreign residents alone ranged between 2.4 and 5.1 males for every woman in Kuwait and Oman, respectively.[12]

As regards age structure, the share of working-age groups (15–64 years) is notably higher among expatriate populations (85 percent of all nonnationals for the total GCC region) than among national populations (64 percent). The age imbalance is particularly acute in Oman (95 percent of nonnationals fall within the working-age bracket), while in Qatar and Bahrain it is 90 percent.[13]

The rare existing data disaggregated by nationality group or country of citizenship provides a partial glimpse of the diversity of demographic composition by migrants' origin. In Oman, where on average the sex ratio was five men per woman among expatriates, it reaches beyond 10 males per female among Bangladeshis and Pakistanis, and beyond six men per woman for Indian residents.

By contrast, as of 2018, migrants from Sri Lanka and the Philippines were mostly females.[14] In 2018, in Kuwait, 30 percent of all expatriates were females (a sex ratio of 330 men per 100 women). However, among Asian expatriates alone, the figures show 27 percent females (or 370 men per 100 women). Eighty percent of Filipino and 63 percent of Sri Lankan expatriates were

[11] https://gulfmigration.org/gccnational-non-national-populations-aged-15-sex-sex-ratios-gcc-countries-national-statistics-2010-2016/

[12]https://gulfmigration.org/oman-population-by-country-of-citizenship-selected-nationalities-and-sex-2018/

[13] https://gulfmigration.org/media/graphs/Graph4_09_05_2017.pdf

[14]https://gulfmigration.org/oman-population-by-country-of-citizenship-selected-nationalities-and-sex-2018/

female, as compared to 3.4 percent among Bangladeshis and 15–20 percent among Pakistani and Indian nationals (Table 2).

Table 2: Asian expatriate population in Kuwait, by selected countries of origin and relation to the labor force, sex and age category, 2018

Country of citizenship	*Total number*	*% female*	*Relation to labor force (%)*		
			In LF	*Out of LF*	*< 15 years*
India	1,012,104	19.8	88	5	7
Bangladesh	281,131	3.4	97	2	1
Philippines	213,989	80.4	95	2	3
Pakistan	109,427	16.5	77	12	11
Sri Lanka	93,749	62.8	92	4	3
Asia	1,868,208	27.0	89	5	6
Total expatriates	3,218,525	30.0	75	13	12

Source: Public Authority for Civil Information and author's calculations using this data.

While 12 percent and 13 percent of expatriates were, respectively, inactive, and below working age (aged below 15), Asian expatriates in general, and Bangladeshis, Filipinas and Sri Lankans in particular, were overwhelmingly in the labor force. This confirms that most Asian migrants in Kuwait and elsewhere were workers. In Kuwait, as elsewhere throughout the GCC region, Arab and European migrant communities comprised a higher share of family members (inactive spouses and children) than Asians (De Bel-Air, 2017, 2019). The demographic characteristics of migrants reflect their employment patterns as well as skill levels and housing characteristics.

Employment patterns: Hierarchization of nationalities

As indicated in the rare statistics available on this topic,[15] workers' occupations and skill levels diverge significantly by nationality. In Dubai in 2011, for instance, the three upper occupation categories[16] were concentrated among 94 percent of 'Western' nationalities (Europeans, North Americans and

[15] Saudi Arabia, the largest labor market in the region, has never provided labor data disaggregated by group-of-origin countries or single citizenship. Neither did Qatar and the UAE, with the exception of Dubai, until 2011.

[16] According to the ISCO 08 classification, 'managers', 'professionals' and 'technicians and associate professionals.'

Australians) and 60 percent of foreign Arab nationals. By contrast, only 23 percent of Asians performed managerial and professional functions, while 61 percent were in 'blue-collar', low-skilled positions.[17]

Bahraini and Kuwaiti statistics reflected a similar distribution of nationality groups by occupation level: Westerners and Arab nationals were more likely to be skilled and even highly skilled as opposed to only a minority of Asians. In Kuwait in 2018, only 7 percent of all Asian workers were in the three upper occupation categories. Asian laborers were mostly employed in the private and domestic labor sectors (respectively, 60 and 37 percent). Seventy-one percent of Asian females alone worked in the domestic sector as household workers.[18] As for Asian males, 26 percent were employed in domestic activities, 19 percent in the 'construction' sector and 17 percent in 'wholesale and retail trade' activities.

As regards single nationalities, 62 percent of Indian laborers, for instance, were employed in Kuwait's private sector in 2018, while the 307,416 Indian domestic laborers in the country made up 35 percent of all employed Indian nationals. Three quarters of Sri Lankan residents and 62 percent of Filipinos, respectively, were also in the domestic labor sector. In Kuwait, most of these nationals were females (Table 2).[19]

Most Asian nationals are thus low-skilled and employed in the private and domestic sectors everywhere in the Gulf. Low-skilled Asian laborers are often recruited by specialized agencies directly from the origin country to perform specific tasks within specific projects. Nonetheless, since Asians are by far the largest nationality group, they also make up the largest relative share among the highly skilled in the Gulf. They were especially

[17] The 'craft and related trades workers', 'plant and machine operators and assemblers' and 'elementary occupations.'

[18]https://gulfmigration.org/kuwait-employed-population-aged-15-and-above-by-nationality-group-sex-and-activity-sector-2018/

[19] Author's calculations, based on data from the Public Authority for Civil Information for selected nationalities: https://www.paci.gov.kw/stat/StatIndicators.aspx

prominent in Bahrain and Dubai, with 73 and 80 percent of all highly skilled expatriates, respectively, in 2010 and 2011.[20]

About 118,000 Asian expatriates made up 42 percent of all expatriates in the three upper occupation categories in Kuwait in 2018 and a quarter (24 percent) of all workers in the upper echelons of the occupation scale, nationals included.[21] Among Indian expatriates in the Gulf states, the majority are 'blue-collar' workers, with about 30 percent highly skilled and skilled workers among them (Khadria, 2014, p. 36) who pass as 'invisible' despite their economic power (Parween, 2013). Employment patterns thus reflect a hierarchization of expatriates by regional origin, with Asians largely occupying the lowest categories of occupations.[22]

The hypothesis of a hierarchization between laborers based on the region of origin in the Gulf is further supported by data indicating the lower wages received by Asian laborers as compared to Arab or European laborers in similar positions. Wage differentials by nationality within companies and indicating the desired nationality in the job advertisement are not illegal in the Gulf. This 'hierarchization' of nationalities permits employers to better adjust their costs and numbers of recruitment. Indeed, reservation wages claimed by Asian laborers are lower than those demanded by Arab or 'Western' applicants.

Salaries in the Gulf must be higher than in an expatriate's home country to be attractive, but the increase only needs to be proportionally higher. The distribution of salaries by nationality group in the UAE, for instance, indicates that Asian laborers earn systematically less than Arab and Western nationals.[23] The difference persists even among chief executive officers (CEOs) of multinational companies: in 2015, Asian CEOs earned USD34,900 monthly, on average, while Arab CEOs earned USD40,669. A

[20] Bahrain census 2010 and https://gulfmigration.org/uae-dubai-employed-population-aged-15-and-above-by-nationality-group-and-occupation-2011/

[21] https://gulfmigration.org/kuwait-population-in-the-labour-force-aged-15-and-above-by-nationality-group-and-occupation-group-2018/

[22] Kuwaiti and Omani statistics, however, suggest that sub-Saharan Africans are even more systematically confined to low-skilled categories.

[23]https://gulfmigration.org/uae-dubai-employed-population-aged-15-and-above-by-nationality-group-and-monthly-and-annual-income-2011/

similar variation in wages by nationality group is found in all the Gulf states, for instance in Saudi Arabia,[24] even if they are said to be progressively decreasing (Anderson, 2015).

The hierarchization of nationalities by occupation and income level did not only develop into multi-tiered labor markets in the GCC. It also affects expatriates' working and living conditions. Highly skilled expatriates enjoy comparatively better conditions in the Gulf states. Employers competing for certain competencies must provide incentives to attract the best and brightest: social benefits and packages such as accommodation, health insurance, transport and education allowances, and annual flight tickets. Governments compete too, for example with specific policies reserving a family reunion for the highest income earners.

Migration status, housing conditions and spatial segregation

The hierarchization of foreign laborers' income by regional origin, added to the prevalence of low-skilled employment among Asians, may explain the variation of the sociodemographic structure by nationality group. As pinpointed in Table 2 on Kuwait, for example, Asian residents were quasi-exclusively workers (89 percent), with only 11 percent of inactive and children below 15, as compared with expatriates as a whole (75 percent of residents in the labor force). Similar results were found for earlier periods in Bahrain and Dubai. This suggests that Asian laborers are rarely accompanied by family members, more rarely than Arab and Western expatriates.

Table 2 confirms that, in Kuwait, 11 percent of Asian residency permit holders were recorded as inactive family dependents in 2018 (of which 6 percent were below 15), as compared to 47 percent of Arab permit holders, for example.[25] The distribution of residency permits by purpose indicated that 81 percent of Arab females residing in Kuwait in 2014 were family

[24]https://gulfmigration.org/saudi-arabia-a-comparison-of-average-monthly-salaries-received-by-nationality-group-of-workers-in-us-selected-professions-2015/
[25]https://gulfmigration.org/kuwait-non-kuwaiti-population-by-region-selected-countries-of-origin-and-sex-distributed-by-age-category-and-relation-to-labour-force-2018-2/

dependents as opposed to only 23 percent of Asian females.[26] In Bahrain in 2018, a similar breakdown of migration status by regional origin and by country of nationality was witnessed.[27]

The level of income and skills determines the right to a family reunion in the Gulf countries. As of mid-2017, regulations governing family reunions were as follows: in Saudi Arabia, only managerial-level professionals can apply for a permanent family visa. Family reunification is granted everywhere else based on financial conditions: a minimum salary of AED3,000 to 4,000 (USD817 and 1,100, respectively, depending on accommodation) in the UAE; KWD450 (around USD1,470) for public sector employees and KD650 for private sector employees in Kuwait and QAR7,000 in Qatar (around USD1,900). The possibilities for a family reunion thus increase with income level.

However, the data available for Kuwait in Table 2 suggested discrepancies in the profiles of Asians by nationality. Pakistanis, and Indians to a lesser extent, had a comparatively high share of inactive persons (out of the labor force) and youth (below age 15) among them as compared to Bangladeshis, for instance, where the overwhelming majority (97 percent) were employed adults. Unless both spouses are employed, these nationals cannot meet the required financial conditions to bring their families to Kuwait.

Asian nationals display a diversity of migration patterns. The Indian embassy in Abu Dhabi estimated in 2015 that 10 percent of the Indian nationals residing in the UAE were dependents.[28] In Qatar, 92,220 Indian expatriates (17 percent of this national group)

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[26]https://gulfmigration.org/kuwait-article-22-family-dependent-residence-permits-granted-by-nationality-group-and-sex-of-holder-2014/ and https://gulfmigration.org/kuwait-residence-permits-by-nationality-group-and-sex-of-holder-2014/. The migration status (worker, family dependent, etc.) is inferred from the distribution of expatriates by type of residence permit held as of 31 December 2015. According to Kuwaiti residency law, workers hold permits for government labor (no. 17), nongovernment labor (no. 18), business (no. 19) or domestic help (no. 20). Family members hold the dependent's permit (no. 22). The figures exclude stateless residents (*bidouns*), non-Kuwaiti GCC citizens and those in irregular situations.

[27]https://gulfmigration.org/bahrain-foreign-population-by-country-of-citizenship-sex-and-migration-status-worker-family-dependent-selected-countries-june-2018/

[28]http://www.indembassyuae.org/eoi.php?id=UAE

were classified as dependents in 2014,[29] which underlines the diversity of skill levels and occupation profiles among Indian nationals. On the opposite end, in Qatar, as in Kuwait, Nepalese and Bangladeshis were quasi-exclusively workers (that is, without family dependents), which proves the clustering of these nationals in the lowest tier of the occupation and income ladders.

Migration status and employment patterns are also reflected in housing characteristics. The development of bulk recruitment for large-scale turnkey projects, which became prominent after the 1980s and was encouraged by Asian governments, multiplied labor compounds across the Gulf countries (Bruslé, 2009; Gardner, 2010). The term 'labor camp' in the Gulf states designates collective accommodation for low-skilled transnational laborers. These can be large compounds housing the labor forces of large public and private industries, which provide food, recreational, sanitary, and other amenities, or unstaffed apartment buildings or villas, where workers share kitchens and bathrooms (Gardner, 2010, p. 55).

In Qatar in 2015, a staggering 60 percent of the total population and 74 percent of all resident males were living in labor compounds,[30] most of them presumably Asians recruited from their countries of origin. Data for Kuwait indicated that 46 percent of all Asian residents aged 15-plus and above half (56 percent) of resident Asian men were housed in collective households (among which were labor camps) in 2018 (De Bel-Air, 2019). More generally, data for Kuwait also pinpointed the spatial segregation of Asian (as well as Arab) nationalities in the country, away from areas inhabited by Kuwaitis (Fargues & De Bel-Air, 2015, pp. 152–153).

Towards a closure of Gulf markets?

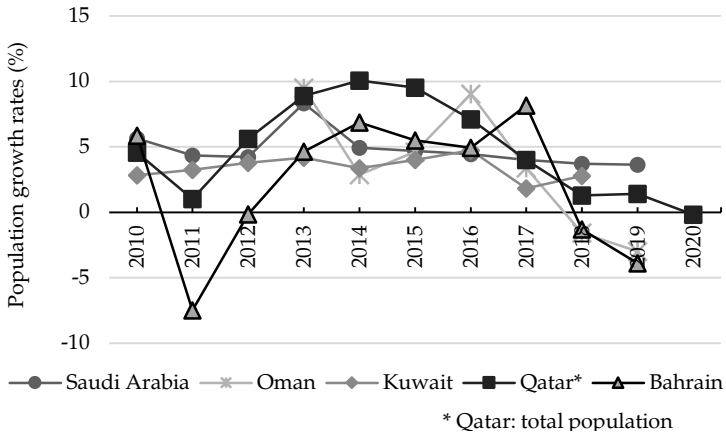
Oil price hikes after 2003 and subsequent large-scale investments in infrastructural and other projects brought record-

[29]https://gulfmigration.org/qatar-estimates-of-non-nationals-by-country-of-citizenship-and-migration-status-selected-nationalities-qatar-26-30092013/
[30]https://gulfmigration.org/qatar-total-population-place-residence-household-labour-camps-etc-gender-census-night-april-2015/

high numbers of expatriate laborers to the Gulf. These large inflows, as illustrated for example in the case of Indians to the UAE, were only tempered by the financial crisis of 2008 and the drop in oil prices after 2014. However, since then, insecurity prevails as regards the future of migration to the GCC region.

For several years, foreign populations have started expanding at a slower pace and even started decreasing in Oman, Bahrain and Qatar (Figure 1). Due to the numeric domination of Asian laborers among foreign residents, such demographic developments are more likely to do with Asian populations' inflows to, and outflows from, the Gulf states.

Figure 1: Evolution of the demographic growth rate of foreign populations in five Gulf states, 2010–20

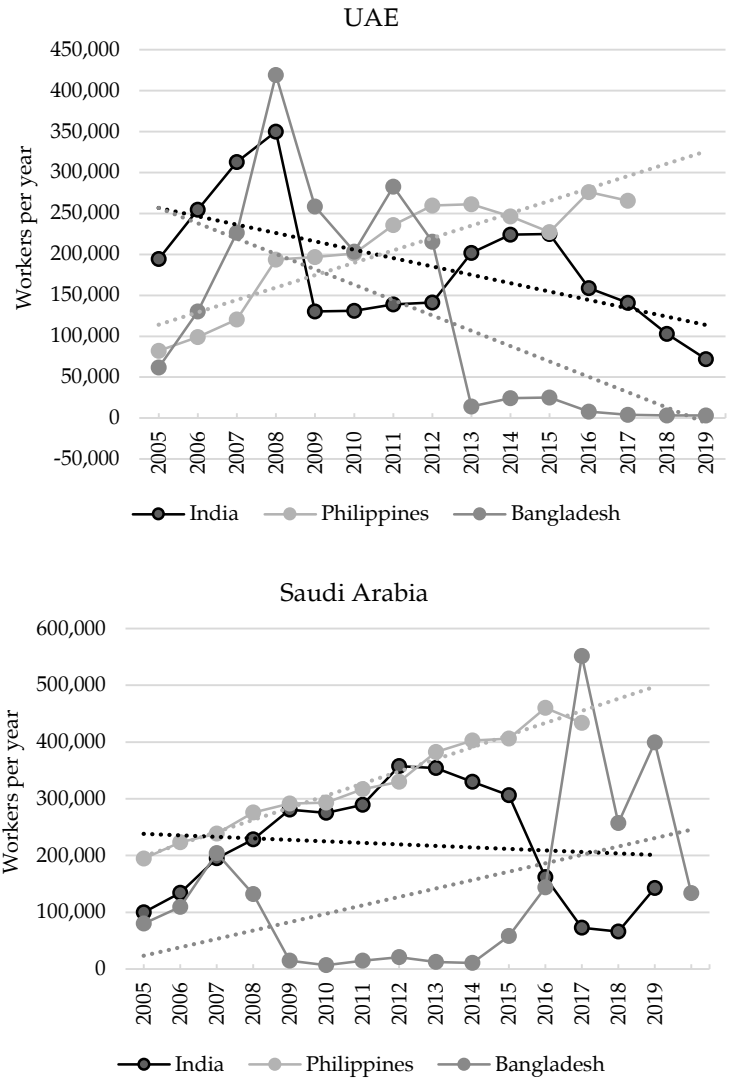


Source: National statistical institutes.

Figures of workers deployed from Bangladesh, the Philippines and India in Figure 2 indicate a very erratic and irregular pattern of recruitment. The decrease in the number of Indian and Bangladeshi laborers given clearance to emigrate to the UAE and Saudi Arabia is also notable.[31]

[31]The figures presented here are emigration clearances issued by sending countries' government services in charge of emigration. They do not therefore reflect all outflows of nationals, especially the highly skilled ones who organize their emigration themselves.

Figure 2: Deployed overseas workers from Bangladesh, the Philippines and India to the UAE and Saudi Arabia, 2005–19



Source: Sending countries' government services in charge of nationals' emigration.

Figures of deployment of Filipinos, by contrast, seem to be on the increase. This is consistent with the expansion in the number of permits granted to workers in the domestic labor sector, for example in Saudi Arabia, where the number of foreign laborers in the private sector has been on the decrease since the mid-2010s.[32]

One of the reasons for the contraction of the demand for Asian laborers is the continuous decline of oil prices since 2014, which negatively impacted the growth of sectors where most Asian laborers are employed, namely construction, real estate, banking and financial, and other sectors, as acknowledged by sending states (on India, see Ministry of External Affairs, 2018, p. 229). Another vulnerability faced by Asian laborers in the Gulf states is therefore the fluctuations and uncertainties surrounding the mid- to long-term prospects of employment in the Gulf states because of the GCC economies' strong dependency on hydrocarbon prices.

Policies applied to migrants in GCC countries

Asian workers' demographic and socioeconomic characteristics entailed certain vulnerabilities for the bulk of these expatriates in the Gulf, even before the dual crises of the Covid-19 pandemic and the economy. This chapter now explores the role of three ranges of key policies, which aggravated the vulnerabilities experienced by most Asian expatriates in the GCC countries.

The kafala (sponsorship): migrants' temporariness and subordination to Gulf citizens and employers

The large number of Asian—mostly male—workers in the Gulf, sometimes outnumbering nationals, poses several issues. Among these is the economic sustainability of large pools of workers as well as their sociopolitical impact on Gulf nationals and societies. In a liberal democracy where similar rights apply to all residents, such vast numbers would indeed be financially unsustainable because they would incur huge labor costs to

[32] See GAStat, Labor Market Statistics, Q4 2016 to Q2 2020 at https://www.stats.gov.sa/en/814. Saudi data are not disaggregated below the nationality level (national/nonnational).

employers (Ruhs & Martin, 2008). In the Gulf states, a 'labor-vs-rights tradeoff' was performed: 'more rights for migrants typically means higher costs [but in the Gulf countries] more migrants tend to be associated with fewer rights for migrants' (Ruhs & Martin, 2008, p. 251).

Massive labor immigration to the region was thus made financially sustainable by depriving foreigners of economic and social rights. On the sociopolitical level, the 'number-vs-rights tradeoff' engineered a hierarchy between nationals and foreign nationals, a subordination of the latter to the former. The *kafala* (sponsorship), a set of practices and laws that governs the employment and residency of all foreigners, highly and low-skilled alike, in all the Gulf countries, plays a major role in enforcing this nationality-based inequality in rights.

The system of sponsorship exists everywhere in the GCC region despite various reforms instituted since the late 2000s. Sponsorship forces foreign workers to depend on a local guarantor, which can be a placement agency, a company/institution, public or private, or an individual employer. The sponsor issues the employment contract and is expected to bear full economic, social and legal responsibility for the employee during the contract period. In theory therefore, the sponsorship system delegates to Gulf citizens the responsibility for controlling and regulating the presence and activities of foreigners on their national territory, everywhere else a state prerogative (Beaugé, 1986, p. 109; Longva, 1997, p. 100).

Moreover, the system places the foreign laborer in a position of 'structural dependence' (Longva, 1999) and subordination vis-à-vis the sponsor, who controls the migrant's mobility within the country of residence and exit from the territory as well as professional mobility, since changing jobs often means changing sponsors. Several categories of workers, especially low-skilled ones and live-in domestic laborers, have their passports confiscated by their sponsor (Fargues, Shah & Brouwer, 2019, p. 12), although the practice is officially outlawed in every Gulf country today (International Labour Organization, 2017).

The *kafala* system also ensures that labor migrants do not settle permanently in the country. Expatriates are contract workers whose sojourn should not extend beyond the end of their labor contract. In economic terms, 'the sponsorship system's objective was to provide temporary, rotating labor that could be rapidly brought into the country in an economic boom and expelled during less affluent periods' (Migrant Forum in Asia, n.d.). For this reason, the right to a family reunion is limited to certain categories of foreign employees, that is, those in the upper echelons of the occupation scale.

On the sociopolitical side, the theoretical impossibility for foreign nationals to settle durably or permanently in the Gulf under the *kafala* system is reinforced by the quasi-impossibility for foreigners to acquire the nationality of the host state, no matter how long a worker has been living and working in a host country. This contributes to maintaining the 'oil-based social contract', that is, reserving the dividends and material benefits of the hydrocarbon-based rent (social security and protection, income, subsidized housing, health, and education, for example) to Gulf citizens only in return for their political allegiance to their rulers.

The sponsorship system progressively came to sustain the formation of 'dual labor markets' in the Gulf states, whereby migrants would perform activities and professions shunned by nationals, which explains the concentration of migrants in the low-skilled, low-pay end of the job spectrum. This separation also alleviated the economic competition between immigrants and nationals. The sociopolitical supremacy of the Gulf's citizens over immigrants was further enhanced by the de facto duality of societies (Fargues, 2011; Fargues & De Bel-Air, 2015, pp. 147–157).

The legal and physical separation between citizens and noncitizens—segregation in space, as we have seen, or the control of marriages with non-Gulf nationals, for instance—addressed the fears of cultural challenge. Their temporariness and the 'deportability' (De Genova, 2005) of foreign laborers was aimed at deterring potential dissent, labor protests and claims for more rights among workers. The economic and sociopolitical

subordination of foreign residents to nationals in the Gulf thus ensured the latter's securitization or control over large numbers of expatriates.

Bahrain led the way for reforming the sponsorship system in 2009 by delegating the monitoring of migrant flows to a new public body, the Labor Market Regulation Authority. As one of the many labor reforms passed in the country, a 'flexible work permit' was introduced in 2016. Exclusively available for migrant workers already in the country, the measure allows workers to obtain a permit directly from the Labor Market Regulation Authority and pay work permits and social security contributions themselves. Reforms of the system were conducted in almost every country in the region over the past decade (Zahra, 2015). Saudi Arabia is now the only Gulf state that continues to require all migrant workers to obtain an exit permit from their sponsor to leave the country.

Some avenues for changing jobs, and hence sponsors, were nonetheless opened. In Saudi Arabia, specific categories of investors have been exempted from sponsorship since 2000. Under the 2016 'Vision 2030' new roadmap for the Kingdom, in May 2019 the sponsorship requirement for expatriates benefitting from a new green card system (the Privilege *Iqama* designed to attract highly skilled expatriates and owners of capital funds) was lifted. A reform of the system, under the name of the Labor Market Initiative, was also set to come into force in March 2021. Saudi authorities claim the measure will cancel the sponsorship system in the Kingdom and replace it with a contractual relationship between the employer and the employee.[33]

Qatar made it easier for some residents to change jobs and leave the country, with Law No. 21 of 2015 on the entry, exit and residency of foreign nationals. It also formally ended sponsorship in January 2020. However, some categories of employees, among whom domestic workers and low-skilled laborers are recruited in bulk, are not impacted by the recent reforms. Moreover, the reform process suffered many setbacks everywhere: even Bahrain

[33] https://www.arabnews.com/node/1758456/saudi-arabia

scaled back its sponsorship reform in 2011 by forcing workers to stay one year with their sponsor before applying to change jobs without their employer's consent. Sponsorship reform measures therefore were said to mainly benefit highly skilled expatriates (Hertog, 2014).

Labor nationalization policies, forced returns and scapegoating of migrants

The Gulf governments faced massive local youth unemployment in the 2000s: 20 percent and beyond everywhere among youth aged 15–24 years, up to 26 percent in Saudi Arabia and 17 percent even in wealthy Qatar (Chaaban, 2010, p. 20). Decades-old policies of workforce nationalization (Saudization, Emiratization, etc.) were revived, aiming to increase the private sector employment of nationals, as public employment capacities plummeted everywhere except in Qatar and the UAE. Unemployed citizens were thus in competition with foreign workers for jobs in the private sector, where salaries offered to foreign workers were notably too low to attract local job seekers (Louër, 2008, pp. 42–46).

Unemployment among Gulf nationals had a politically devastating effect on the oil-based rentier social contract, supposed to guarantee income and social security to Gulf citizens in return for their political allegiance to the rulers. Protests took place in 2011 during the Arab uprisings in Oman, Bahrain and Saudi Arabia, which targeted elites' corruption, as well as high unemployment levels and low salaries.

In Oman, migrant workers were explicitly scapegoated when slogans accused the regime of keeping employment opportunities for its allies, the inhabitants of the Sultanate's capital Muscat, as well as foreign laborers. Xenophobic statements even alleged the 'Indian colonization' of Oman and criticized the privileges granted to foreign managers by the Omani business class, while calling for a total Omanization of the country's top economic positions (Safar, 2011). The fall of oil prices after late 2014 further stressed the urgency of socioeconomic reforms and economic diversification away from a dependency on oil revenues.

In September 2011, Saudi Arabia launched the most ambitious and wide-ranging of these policies, the *nitaqat* campaign for the Saudization of the workforce. The system combines incentives that encourage firms to hire Saudis and sanctions for noncompliant ones. It classifies businesses by band—initially four and currently six categories. These include platinum, green (high, medium, low), yellow (canceled early 2020) and red, depending on the nationalization targets reached, by industry (60 categories), size of the entity (five categories), and nationalization performance (percentage of Saudi nationals to expatriate employees in the company's workforce) as well as Saudi employees' average salaries and retention rates. Additional credits are granted for businesses employing priority categories, among whom are women, students, disabled persons, non-Saudi children born to Saudi mothers, and foreign mothers of Saudi nationals. The policy is in constant evolution and readjusts its targets, sanctions and rewards in line with achievements.

Labor nationalization policies aim to make private sector employment attractive and rewarding for young nationals as an alternative to government jobs. Therefore, in Saudi Arabia, as in the other GCC states, improving human capital is high on the reform agenda. One of the three pillars of 'Saudi Vision 2030', Saudi Arabia's reform master plan launched in 2016,[34] is to achieve a 'thriving economy' by diversifying it away from the current dependence on oil. The set goal is to create a knowledge-based economy in the Kingdom by investing in education and fostering innovative, high value-added, service-oriented, and high-tech industries. The creation of new jobs and the development of new economic sectors would thus open new opportunities for nationals in an upgraded labor market.

Nitaqat also strongly aims at reducing the size of foreign manpower. First, measures were passed to increase the cost of hiring foreign laborers, as well as expatriates' installation. Since September 2017, fees have been levied on expatriates and their

[34] https://vision2030.gov.sa/en

dependents, and visa fees were set to increase.[35] Second, reforms intending to upgrade the labor market and develop a 'knowledge economy' are bound to limit future opportunities for low-skilled laborers in labor-intensive sectors, who are mostly Asians. Third, reforms also seek to replace foreign laborers with local job seekers. The telecommunications and information technology sectors, for instance, were set as privileged labor localization targets to develop knowledge-based economies in the region (Grové, 2016). In Saudi Arabia, the *nitaqat* policy partially or completely phased out expatriates from diverse positions and industries likely to absorb unemployed Saudis, especially in the retail,[36] hospitality and tourism sectors.[37]

Other countries in the region launched similar initiatives to bar expatriates from an increasing number of positions and economic sectors. In Oman and Kuwait, government positions are soon to be exclusively reserved for nationals.[38] The hiring of foreigners in ten different industries (including media, information technology, marketing, accounting, management, medical professions, insurance, and airlines) and 87 different job titles was suspended in Oman in early 2018 (Vesuvala & Kantaria, 2018).

The country also froze the issuing and renewing of labor permits to expatriates in many managerial as well as in all administrative and clerical occupations.[39] Kuwait revised former Kuwaitization quotas and introduced a USD830 fee for companies employing too many foreign workers at the end of 2017.[40] The private sector also aims to nationalize its workforce: Kuwait's

[35] The fee starts at SAR100 for each individual dependent per month. The monthly fee is set to increase to SAR200 for each dependent from July 2018, SAR300 in 2019 and SAR400 in 2020. Dependents include the expat sponsor's wife, children, parents, in-laws, maids and drivers who are registered under his name (http://gulfbusiness.com/expat-dependent-fee-takes-effect-in-saudi-arabia/).

[36] https://www.spa.gov.sa/viewstory.php?lang=en&newsid=1714413

[37] https://www.bloomberg.com/news/articles/2019-07-28/saudi-arabia-to-ban-foreigners-from-slew-of-hospitality-jobs

[38]https://www.internationalinvestment.net/internationalinvestment/news/3503948/kuwait-deports-foreigners-months

[39]https://www.omanobserver.om/ban-on-high-ranking-jobs-to-expats/

[40]https://gulfbusiness.com/kuwait-introduces-new-830-fee-companies-employing-excess-foreigners/

banks, for instance, were to cut 17,000 foreign workers from their staff, eyeing an 80 percent Kuwaitization of employment by the end of 2018.[41]

In addition to the sluggish economic growth due to low oil prices and the introduction of certain taxes such as VAT in the region, the partial or total phasing out of expatriates from specific professions or activity sectors effectively limited expatriates' employment opportunities in the Gulf states, and their numbers started contracting. In Kuwait, an estimated 44,500 foreign employees in the government sector are set to be replaced by citizens in the coming years. Of these, 3,140 foreign workers had been made redundant under mandated cuts for 2017/18 in ministries, departments and other bodies.[42]

In Oman, where 92 percent of expatriates were from Asian countries in 2019 (Table 1), the number of expatriates had decreased by 178,300 in January 2020, from a high of 2,120,734 in May 2017, according to Oman's statistical office.[43] The total cumulative net expat departures from Saudi Arabia between the start of 2017 and the end of 2019 was estimated to have reached 1,978 million (Jadwa Investment, 2019). Recent social reforms, such as the lifting of the driving ban on women in 2017 in Saudi Arabia, should also negatively impact the fate of immigrants employed as drivers and domestic laborers in the country (De Bel-Air et al., 2017), often expatriates from Asian countries. By forcing large numbers of expatriates back to their country, with no support or reintegration schemes,[44] labor nationalization policies add to the precarity of migrant existence in the Gulf countries.

The economic rationality of labor nationalization policies in the Gulf is not yet proven. A Gulf labor specialist argued that the 'significant difference in both labor rights and labor costs between citizens and foreign workers that almost invariably leads employers to prefer the latter' (Hertog, 2018). However, outside Gulf business communities, labor nationalization policies play a

[41]https://gulfbusiness.com/kuwaits-banks-cut-17000-foreign-workers/
[42]https://gulfbusiness.com/kuwaits-aims-replace-44500-foreign-gov-workers-citizens/
[43]https://data.gov.om/OMPOP2016/population
[44]https://www.equaltimes.org/the-gulf-is-no-longer-a-dream-land#.X5B6TdAzY2w

political role: they foster the political inclusion of young Gulf nationals by making private sector employment a citizenship-based entitlement. Conversely, these policies deepen the division between citizens and noncitizens and implicitly scapegoat expatriates as responsible for the former's unemployment.

Disciplinary policies: Demographic engineering and expatriates' 'detainability and deportability'

The numeric domination of Asian workers has been an increasingly contentious issue in the Gulf, especially since the 2000s. Selective hiring and quotas capping the numbers of nationals from one single country were discussed by governmental authorities in the Gulf states. In 2003, the UAE passed the 'Cultural Diversity Policy', which aimed at making the Emiratis the largest minority in the country by limiting the size of other communities. Employees' visas were made more expensive for employers not diversifying their labor pool, which aimed to reduce flows (Jamal, 2015, p. 605), and 'to reinforce control over the workforce by diluting the existing national concentrations with more Arab workers' (Davis, 2006).

The figures of deployments from Bangladesh to the UAE and Saudi Arabia (Figure 2) support the hypothesis of a politics-based nationality breakdown of labor flow: the advent of the 2008 financial crisis may explain the first drop in the recruitment of Bangladeshis in the UAE, but not the 2012 disruption, such as that noticed after 2009 in Saudi Arabia. Bangladeshi authorities received no official explanations for the decision to stop recruitment in the two countries,[45] but the large number of Bangladeshi nationals in the GCC could have motivated such measures.

Plans for cutting down the flow of foreigners coming to Kuwait by 100,000 every year during the 2010s were announced by Kuwait's Ministry of Social Affairs and Labor in 2012. Low-

[45]https://www.tradearabia.com/index.php?/news/MTR_221090.html/ (last accessed 7 July 2017).

skilled and service workers were particularly targeted.[46] In late 2018, the policy was reinforced with measures aimed to achieve a demographic balance between nationals and expatriates, by reducing the number of expats by at least 1.5 million by 2025.[47]

Policies addressing the demographic imbalance are supplemented by policies of workforce diversification by regional origin and by nationality. These respond to employers' needs for fresh as well as cheaper labor in sectors such as construction and other service-based jobs, which for example stimulated the recruitment of African workers to the GCC (Malit & Al-Youha, 2016). The entry of Nepalese workers to the region, and Qatar especially, in the 2000s was also said to respond to such needs (Bruslé, 2009).

Amid an international uproar against abuses of migrants in the region, highlighted for instance on the 2022 FIFA World Cup building sites in Qatar, to diversify laborers' source countries, became a way to counter labor claims by well-established migrant communities, and to bypass sending countries' concerns regarding violations of their nationals' rights in the Gulf. The many reports of abuses against Indonesian and Filipina live-in domestic workers pushed the two countries to suspend sending citizens to the Arab region (Human Rights Watch, 2014). The growing turn to sub-Saharan African countries to supplement Asian domestic workers, for instance, was thus a way to deflect origin countries or human rights defenders' actions to secure migrants' rights.

Police campaigns criminalizing expatriates in irregular administrative situations, followed by deportations, is another range of 'disciplinary' policies or technology of power designed to secure control over migrants and their countries of origin. Such

[46]https://www.thenational.ae/world/mena/kuwait-plans-to-cut-100-000-foreign-workers-a-year-for-10-years-1.476519

[47]Reported in the Arabic daily *Al-Qabas*. https://news.kuwaittimes.net/pdf/2018/nov/19/p01.pdf and https://www.arabianbusiness.com/politics-economics/408305-kuwait-considers-reducing-expats-by-15m-in-7-years

policies were conducted in Oman and Kuwait, and on a much larger scale in Saudi Arabia, during 2013 and since 2017.

Amnesty periods aimed to streamline the departure of undocumented expatriates, followed by deportation campaigns, forced more than 2.5 million expatriates to leave the Kingdom in 2013,[48] while 758,570 foreign residents from 140 nationalities quit during the amnesty of 2017.[49] An additional 1.6 million foreign residents were reportedly arrested during 2018, mostly on charges related to residency.[50] Since then, the Saudi, Omani and Kuwaiti press routinely advertise the number of arrests and deportations of irregular expatriates, rounded up during multiple police operations.

The political motivation of such operations seems to be directed not so much at Asians as against Arab nationalities who pose security concerns in the current unstable regional context (De Bel-Air, 2018). Nonetheless, deporting irregulars was also justified (especially in 2013) as operations of a managerial nature, destined to 'rationalize' the labor market, but their brutality, scale and frequency emphasize every foreign resident's permanent condition of 'detainability and deportability' (De Genova, 2005). This is illustrated in a statement by the Speaker of Kuwait's Assembly who, in reaction to the expected massive departures of foreign residents from the country due to the Covid crisis, claimed that the country's expats, who 'are either illiterate or can merely read and write' were not the country's priority.[51]

The Covid-19 crisis as an exacerbator of migrants' vulnerabilities

Asian migrants' demographic and socioeconomic characteristics in the Gulf states, as well as policies directed towards them, revealed many vulnerabilities. The numeric domination of low-skilled Asian migrants in the Gulf labor

[48]http://www.arabnews.com/node/1071511/saudi-arabia
[49]http://saudigazette.com.sa/article/522057/SAUDI-ARABIA/758570-visa-violators-took-advantage-of-amnesty-Interior-Ministry
[50]http://saudigazette.com.sa/article/541881/SAUDI-ARABIA/More-than-16-million-violating-expatriates-netted-in-nine-months
[51]https://www.arabnews.com/node/1704501/business-economy

markets and societies is neutralized by their sociodemographic fragmentation, salary-based hierarchization and socio-spatial segregation, which deters Asian migrants from using their numbers to claim better working conditions.

The subordination of low-skilled expatriates to employers imposed by the sponsorship rule and the state of permanent insecurity created by migrants' 'detainability and deportability' in the region further restrains migrants from revolting against abuses. The asymmetry of bargaining power between the capital-rich Gulf host states and the labor-rich, but capital-poor sending countries compounds migrants' weak agency.

The Covid-19 pandemic revealed, as well as accentuated, the vulnerability of most migrants and refugees in the Gulf region. This is especially acute among low-skilled laborers living in camps. Largely based on press sources, this section now explores the socioeconomic impact of the pandemic on Asian migrants and migration in the region. We seek to highlight that Asian expatriates' conditions before the crisis in the Gulf help to explain their high exposure to the health and economic crises.

Exposure of migrants to the pandemic

As illustrated in the introduction, foreign migrants in the Gulf states were more affected by the Covid-19 virus than nationals. This is due to a varied set of causes. As demonstrated earlier, migrants—and Asian migrants to a larger extent—are in low-skilled positions. Often employed in the 'retail and trade' sector, for instance, they are often in 'frontline' positions such as cashiers and delivery persons. Those in skilled and highly skilled positions were also particularly exposed, as many expatriates are medical personnel.[52] In Saudi Arabia, highly skilled migrants and health sector employees are largely from Egypt, India and the Philippines. Expatriates made up 40 percent of the employees of the Saudi public health sectors and 62.4 percent of the private health sector's workforce in 2018 (Alshanqityi, 2018).

[52]https://apnews.com/5fc04d3552639b298e9fad342cc354eb

Housing also played a role in the clustering of infections among migrants in the early stages of the epidemic. The spread of the virus among low-wage workers in overcrowded camps or labor compounds was largely documented in the press.[53] Most of these compounds, which house many, if not most migrants, such as in Qatar, cannot provide for the physical distancing, hygiene and isolation of infected individuals. The lack of access to clean water and hygienic sanitation in some of the GCC labor camps was pinpointed by rights groups even before the crisis.[54]

The World Health Organization judged that the Gulf states' health systems were of a good enough quality to absorb the crisis, yet not all workers have equal access to healthcare in the region. The increased segmentation between nationals and foreigners, noted earlier concerning access to the Gulf labor markets, extended to foreign residents' access to public and private services. In Kuwait, for instance, the government had recently raised healthcare fees for foreign residents,[55] while banning expats from public hospitals.[56]

More generally, particularly since the decline of oil prices in 2014, the governments' provision of health insurance had fluctuated, with varying policies across the Gulf for private sector employees.[57] After the outbreak of the pandemic, Qatar, Saudi Arabia, the UAE, and Bahrain offered free healthcare services to all migrant workers irrespective of their legal status in the country. However, it is difficult to know if these measures were effectively applied.[58] Free testing and healthcare were made sporadically available at some medical clinics,[59] but no blanket

[53]https://www.economist.com/middle-east-and-africa/2020/04/23/migrant-workers-in-cramped-gulf-dorms-fear-infection
[54]https://www.ituc-csi.org/IMG/pdf/the_case_against_qatar_en_web170314.pdf
[55]https://gulfbusiness.com/kuwait-double-annual-health-insurance-fee-foreigners/
[56]https://www.internationalinvestment.net/internationalinvestment/news/3505952/expats-kuwait-banned-public-hospitals
[57]http://arabcenterdc.org/policy_analyses/migrant-workers-health-and-covid-19-in-gcc-countries/
[58]https://www.amnesty.org/en/latest/campaigns/2020/04/covid19-makes-gulf-countries-abuse-of-migrant-workers-impossible-to-ignore/
[59]https://www.reuters.com/article/us-health-coronavirus-emirates-testing/coronavirus-tests-at-abu-dhabi-hospital-draw-hundreds-to-queue-in-sun-idUSKCN2232B6

measures benefitting nationals and migrants equally were made public. Furthermore, reports of discrimination against foreign residents denied treatment, fear of being locked up and deported[60] deterred many low-wage and undocumented workers from seeking testing or treatment.[61]

Lockdowns, health controls and the securitization of migrants

Contagion containment measures, close monitoring of coronavirus cases and extensive testing campaigns were rolled out in the Gulf countries, which helped limit the expansion of the pandemic in the region. However, densely populated areas inhabited by foreign low-wage workers and labor compounds, apartments and villas housing single Asian and Arab male workers were particularly scrutinized, with full lockdowns reported in Dubai, Qatar, Oman, and Kuwait.[62]

State-run and controlled isolation or quarantine camps as well as transit camps were also set up to round up foreign residents in an irregular administrative situation prior to their deportation/repatriation (Zouache, 2020). Immigration detention aggravated migrants' exposure to the pandemic.[63] In Kuwait, some 26,000 detained irregulars[64] were at risk of being infected. Sanitary measures taken to contain the spread of the virus as well as police and army controls enforcing compliance with the rules contributed to tightened security control around foreign residents, especially the many low-skilled workers among them.

Surveillance measures also intensified migrants' dependency on their employers. Most low-wage laborers either live in closed or spatially isolated compounds or under their employer's roof. Unable to leave their accommodation, they have no direct access

[60]https://merip.org/2020/04/no-good-options-for-migrant-workers-in-gulf-covid-19-lockdown/
[61]http://arabcenterdc.org/policy_analyses/migrant-workers-health-and-covid-19-in-gcc-countries/
[62]https://www.reuters.com/article/us-health-coronavirus-gulf-workers/gulfs-migrant-workers-left-stranded-and-struggling-by-coronavirus-outbreak-idUSKCN21W1O8
[63]https://www.hrw.org/news/2020/04/07/gulf-states-ease-immigration-detention-pandemic
[64]https://www.reuters.com/article/us-kuwait-egypt-security/kuwait-breaks-up-egyptian-worker-riot-over-repatriation-idUSKBN22G0HU

to health facilities unless provided by their employers.[65] Lockdowns also increased the vulnerability of single and live-in migrants, such as domestic workers isolated in their employers' homes or shelters,[66] who reportedly suffered increasing workloads and abuse during the lockdown.[67] The Covid-19 crisis thus contributed to enhancing the socio-spatial containment of the largely low-skilled Asian workers.

Economic downturn, discriminatory measures and the temporariness of migrants

Middle-class skilled migrants in the region also experienced discriminatory measures. Salary cuts applied to foreign employees alone[68] made the stay in the Gulf unaffordable for many middle-class migrants,[69] who had no choice but to leave the host state, sometimes after years of stay.[70] At the very beginning of the Covid-19 crisis, the UAE and other Gulf countries' private sector employers resorted to 'early leave' schemes to encourage workers' exits back to their home countries, but many were subjected to unpaid leave[71] and payment terminations, even by international companies.[72] Nonpayment of wages was also reported.[73] Since staying in the Gulf is dependent on employment, workers who lost their jobs had no choice but to leave the host state.[74]

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[65]https://www.amnesty.org/en/latest/campaigns/2020/04/covid19-makes-gulf-countries-abuse-of-migrant-workers-impossible-to-ignore/

[66]https://www.firstpost.com/world/in-arab-states-coronavirus-pandemic-traps-african-domestic-workers-who-find-themselves-unemployed-abused-8567611.html

[67]https://www.ft.com/content/c01a38f4-f314-4232-afcc-bdbb7aa0b130

[68]On Qatar: https://www.bloomberg.com/news/articles/2020-06-10/qatar-cuts-pay-for-foreign-employees-working-for-government

[69]https://www.livemint.com/news/world/in-bad-news-for-dubai-s-economy-expats-are-leaving-the-city-11591770502692.html

[70]https://gulfnews.com/world/gulf/covid-19-gulf-expats-forced-to-leave-for-home-as-pandemic-impacts-jobs-1.72112920

[71]https://www.internationalinvestment.net/news/4013604/uae-launches-leave-policy-expat-workers

[72]https://gulfnews.com/uae/coronavirus-forced-to-take-unpaid-leave-salary-cut-in-uae-1.71039899; https://www.lemonde.fr/economie/article/2020/06/05/dans-le-golfe-le-cauchemar-des-ouvriers-d-altrad_6041858_3234.html

[73]https://www.al-monitor.com/pulse/originals/2020/08/gulf-migrant-workers-wages-covid19-qatar-uae-india-nepal.html

[74]https://gulfnews.com/world/gulf/covid-19-gulf-expats-forced-to-leave-for-home-as-pandemic-impacts-jobs-1.72112920

However, some nationals were also forcibly deported, such as Nepalis from Qatar[75] and Ethiopians from Saudi Arabia and the UAE.[76] To streamline and accelerate the departure of all foreign laborers, including those in an irregular situation, the Gulf countries declared amnesties and waiving of fines, and lifted all administrative obstacles to expatriates' departures, as was done in Kuwait and the UAE.[77] More generally, the discrimination against foreign nationals in many companies and, more acutely, the hurried deportation of selected nationals, reaffirmed the temporariness of the status of migrants in the Gulf states.

Exacerbated xenophobia and segmentation of Gulf societies

The pandemic also spurred general distrust and fear of the 'other' in host societies. Unsurprisingly, foreign residents were designated as sources of infection. Xenophobic and hostile statements flurried across the region, which polarized host societies around the issue of migration. In the Gulf, while some acknowledged the dependency on foreign workers and their contribution to their countries' growth, others made violent statements against migrants,[78] especially in Kuwait.[79] Hate speech was also publicly reported in Saudi Arabia.

Conclusion

Asian migrants' demographic and socioeconomic characteristics in the Gulf states as well as the policies applied to them before the Covid-19 pandemic revealed many vulnerabilities. Asian expatriates' demographic domination over other migrant communities and, in some cases, national populations, is offset by the prevalence of low-skilled laborers among them and by their sociodemographic fragmentation in

[75]https://foreignpolicy.com/2020/04/23/middle-east-autocrats-south-asian-workers-nepal-qatar-coronavirus/

[76]https://www.reuters.com/article/us-health-coronavirus-ethiopia-migrants/un-says-saudi-deportations-of-ethiopian-migrants-risks-spreading-coronavirus-idUSKCN21V1OT

[77]https://www.middleeastmonitor.com/20200414-kuwait-urges-egypt-india-to-repatriate-illegal-residents-to-limit-coronavirus-outbreak/

[78]https://www.courrierinternational.com/revue-de-presse/pandemie-koweit-les-immigres-na-qua-les-jeter-dans-le-desert

[79]https://www.albawaba.com/node/egyptians-out-kuwaiti-trending-hashtag-maybe-6-years-old-1358185

terms of gender and age. Their unfavorable position in the income-based hierarchization of nationalities' entitlements as well as the acute socio-spatial segregation of many in male-only labor compounds underlined the many vulnerabilities experienced by these migrants in the Gulf states.

Migration policies characterizing the region during the last decade engineered and exacerbated migrants' vulnerability. While the *kafala* (sponsorship) rule strengthens migrants' temporariness and subordination to Gulf citizens and employers, recent labor nationalization policies deepen the segmentation between citizens and noncitizens, limit employment opportunities for migrants in many sectors, and can lead to massive layoffs and forced returns to origin countries.

Furthermore, policies of demographic engineering seeking to mitigate the demographic prominence of Asians and their bargaining power have generated a state of permanent insecurity in them. Migrants' state of 'detainability and deportability' is accentuated by frequent crackdown campaigns targeting undocumented expatriates. This context highlights the asymmetry of the bargaining power between the capital-rich Gulf host states and the labor-rich but capital-poor Asian sending countries.

In such a setup, the health and economic crises triggered by the Covid-19 pandemic have exacerbated existing migrant vulnerabilities. The significant presence of Asian expatriates in low-skilled, insufficiently protected jobs in the retail sector, for instance, as well as in the health sector for the more skilled ones, increased their exposure to the virus. Low-skilled male laborers in squalid compounds, as well as domestic workers, were particularly vulnerable to infection. Police- and army-controlled lockdowns also strengthened the securitization of low-wage Asian laborers and streamlined roundups of irregular migrants.

Discriminatory measures protecting nationals' employment at the expense of expatriates forced many out of their host state, thus reaffirming the temporariness of foreign nationals' stay in the Gulf states. The segmentation between expatriates and sectors

of Gulf societies was further deepened by xenophobic statements in the context of the slow response of origin countries to their citizens' demands for repatriation.

The health and economic effects of the Covid-19 crisis on Asian expatriates in the Gulf thus underline the continuity of migration policies in the region, despite recent reforms on the sponsorship system: for instance, pre-crisis policies were hastened and job nationalization, especially in the public sector,[80] has accelerated everywhere but in Qatar and the UAE, where there are too few nationals to staff all positions. The crisis was also taken as an opportunity to scale up previous policy goals. In Kuwait, for example, years-old objectives of reducing the number of foreign residents to correct the demographic dominance of expatriates within the resident population were ramped up.

Some Kuwaiti lawmakers proposed a draft bill suggesting a quota system, according to which the share of nonnationals would make up a maximum of 30 percent of the total population. According to the draft law, the percentage of Indian workers would stand at 15 percent, Filipinos and Sri Lankans at 10 percent, and Bangladeshis and Pakistanis at 5 percent.[81] The implementation of the quota system would have meant that 800,000 Indians would be forced to leave Kuwait.[82] Kuwait's National Assembly eventually approved only parts of the law.[83] Yet, the acceleration of migration policy reforms during 2020 may have darkened the prospects of the return of numerous Asian workers to the Gulf states, even when the crisis recedes.

[80]https://www.al-monitor.com/pulse/originals/2020/05/oman-contracts-spending-coronavirus-economy-oil-royal-court.html;
https://www.arabnews.com/node/1666981/middle-east
[81]https://www.al-monitor.com/pulse/originals/2020/06/egypt-expats-kuwait-reduce-foreign-workers-economy.html#ixzz6bcvQnasA
[82]https://thefederal.com/news/kuwaits-draft-law-on-expats-may-lead-to-ouster-of-8-lakh-indians/
[83]https://www.timeskuwait.com/news/national-assembly-approves-demographic-law-to-cut-expat-numbers/

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Chapter 4

Is the 'unprecedented' rise in remittances amid the Covid-19 pandemic really unprecedented?

Almazia Shahzad

In order to curb the spread of the Covid-19 virus, large-scale lockdown measures were put in place by countries across the world, which resulted in an unprecedented economic shock to the global economy. According to an International Labour Organization (2020) estimate, 6.7 percent of working hours globally in the second quarter of 2020 were expected to have been affected as a consequence; this is equivalent to 195 million fulltime workers, with the largest reduction predicted in the Arab states, equivalent to 5 million fulltime workers.

Of the total employed population in the Gulf Cooperation Council (GCC) countries, around 70.4 percent are nonnationals (Gulf Labour Markets and Migration, n.d.). Given that migrant workers are more vulnerable to dismissals than nationals, this was an apparent matter of concern since around 11 percent of the total migrant stock in the GCC countries in 2019 comprised Pakistani nationals (United Nations, Department of Economic and Social Affairs, 2019). In the same year, among the Pakistani migrants who proceeded abroad for employment opportunities, 96 percent went to the GCC countries (Bureau of Emigration and Overseas Employment [BEOE], n.d.). To further emphasize the significance of the region, 53.8 percent of the total volume of formal worker remittance flows into Pakistan—its second largest source of foreign exchange—came from the GCC in 2019 (State Bank of Pakistan, n.d.).

According to the Global Knowledge Partnership on Migration and Development (2020), international remittance flows to low-income and middle-income countries are expected to decline by 19.7 percent in 2020, with a minor recovery of 5.6 percent in 2021 but still remaining well below their 2019 level. In the case of South Asia, the decline is expected to be 22.1 percent in 2020, followed by a 5.8 percent increase in 2021. Based on the World Bank's revised projections, A. Shahzad estimates that the flow of remittances to Pakistan declined by 21 percent in 2020 and recovered in 2021 by 4.9 percent (personal communication, 30 June 2020).

Despite the anticipated large-scale retrenchment of migrant workers as well as a sharp decline in workers' remittances during the first national lockdown in March 2020, remittances to Pakistan have not fallen. Rather, they have shown an unprecedented increase. According to the State Bank of Pakistan, the volume of remittances received over this period rose by 18.2 percent relative to the same period in 2019. Interestingly, this phenomenon of remittances displaying resilience during a global crisis is not new. During the global financial crisis (GFC) of 2008, Pakistan experienced a robust growth in remittances compared to an overall 6 percent decline in other developing countries (Ratha, Mohapatra & Silwal, 2010). According to the State Bank of Pakistan (n.d.), between 2008 and 2009, the growth rate was about 21.1 percent.

This chapter tries to highlight the factors or characteristics of Pakistan's remittances market that have ensured its resilience amid a global crisis. Are the factors responsible for this resilience in 2008 applicable to the current situation? What remittance-specific initiatives have helped facilitate remittance flows to the country? We review the evidence from the periods during and after the GFC and compare and contrast this with the situation during the Covid-19 crisis.

The global financial crisis, 2008

Sirkeci, Cohen and Ratha (2012) identify six key factors that contributed to the resilience of remittance inflows mainly to the South Asian countries during the GFC: (i) a diversified diaspora and access to labor markets for migrants; (ii) that the stock of

migrants either remained unchanged or grew, though at a slower rate; (iii) that the volume of return migration was smaller than expected owing to the fear that migration prospects would be difficult; (iv) that existing migrants readjusted their consumption patterns and continued to send money home, while (v) those who returned home brought back their savings; and (vi) that investment-oriented remittances increased as home currencies depreciated against the dollar.

We review each of these in the context of Pakistan and narrow them down to country-specific factors that aided in the resilience of remittance inflows to the country during the 2008 crisis.

The Pakistani diaspora: Migrant stock and return migration

The Pakistani diaspora is spread across the GCC countries, the UK, the US, Canada, Europe (mainly Spain, Italy and Germany), Australia, and New Zealand. Table 1 shows the percentage of total Pakistanis in three major destination areas against their share of total remittances in 2005 and 2010. Approximately 53 to 61 percent of Pakistani migrants living in these countries were contributing around 90 percent to the country's total remittance inflows.

Table 1: Percentage share of total migrant stock and total remittances of Pakistanis in three major migration destinations, 2005 and 2010

	2005		*2010*	
Region/country of destination	*% share of total migrant stock*	*% share of total remittances*	*% share of total migrant stock*	*% share of total remittances*
GCC	36.9	49.5	46.2	58.3
UK	9.8	8.9	9.2	9.8
US	6.7	31.0	6.1	19.9
Total	53.3	89.5	61.5	88.1

Source: Author's calculations based on data from the United Nations, Department of Economic and Social Affairs, and the State Bank of Pakistan.

Table 2 consolidates the information on Pakistan's migrant stock, number and change for the same three major areas identified in Table 1 between 2005 and 2010. Taking these two years as our reference point for the situation during the GFC confirms that, while the crisis led to a decrease in the number of

new migrants proceeding abroad for employment (BEOE, n.d.) the total stock of Pakistani migrants did not decline—instead, it grew. This observation highlights two probable aspects. First, return migration or the number of returnees was not significantly large as was expected as a consequence of the crisis. Second, the market for Pakistani workers remained strong regardless.

Table 2: Change in total migrant stock of Pakistanis in three major migration destinations, 2005–10

Region/country of destination	*Total migrant stock (at mid-year)*		*Change in migrant stock*	*% change in migrant stock*
	2005	*2010*		
GCC	1,439,627	2,306,422	866,795	60.2
UK	380,338	460,473	80,135	21.1
US	261,537	302,798	41,261	15.8
World	3,902,648	4,992,279	1,089,631	27.9

Source: Author's calculations based on data from the United Nations, Department of Economic and Social Affairs.

The Gulf economy and migrant characteristics

Evidence in support of these can be found in Rajan and Narayana (2012), who look at the impact of the financial crisis on South Asian migrants to the Gulf and their remittance transfers. The study brings out the performance of the Gulf economy and the characteristics of migrants to the region as two important contributing factors. Although the Gulf economy began to slow down toward the end of 2008 due to a sharp decline in oil prices and setbacks to the property and equity markets (mainly in Dubai), these economies were quick to recover. Oil prices rebounded toward the middle of 2009, which, coupled with a relatively stable macroeconomic environment, allowed the Gulf governments to continue investing in major infrastructure projects. Documenting the link between the growth in the construction sector and demand for South Asian laborers, the study concludes that the crisis affected the labor migration process from South Asian countries to the Gulf minimally.

This is in line with the trends visible in occupational group-wise data published by the BEOE (n.d.), where the number of

Pakistani workers registered for overseas employment decreased in 2009 and 2010 by around 6 and 10 percent, respectively, but jumped back up by 25 percent the following year. Given that laborers comprise the largest category of workers registered and the GCC countries are the largest recipients of Pakistani workers, the assessment of the overall data can be extended to the demand for Pakistani laborers in the Gulf.

In their discussion on return migration, Rajan and Narayana (2012) categorize South Asian workers affected by the crisis into two types: those who lost their jobs and returned, and those who lost their jobs but did not return. According to their estimates, of an approximate total of 2.3 million Pakistani emigrants in the Gulf region in 2009, 64,002 belonged to the first type and 41,310 to the second type. They postulate two features of Gulf migration from the region to explain these small estimates: the high cost of migration borne by workers and the role of these migrants' social networks in the country of destination.

Amjad, Irfan and Arif (2013) estimate that the average cost for a Pakistani worker to migrate and work overseas is USD4,290 for Saudi Arabia and USD2,358 for the UAE. Since migrants often have to borrow to meet these high costs, in the event of job loss and, in some cases, also having lost their legal status, they may continue to search for other opportunities instead of returning home—even if these pay less or offer poor working conditions—to be able to repay their debts. Hence, remittances continue to flow from these migrants to their home countries during crisis periods as well.

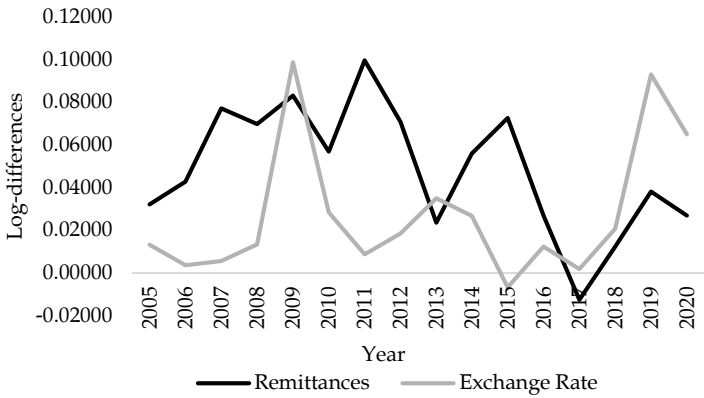
Further, the strong social networks that facilitate the migration process play an important role in providing migrants temporary support in times of hardship, allowing them to readjust their consumption patterns and absorb income shocks so that they can keep sending remittances home. About 94 percent of South Asian migrant households surveyed by Rajan and Narayana (2012) reported regular receipt of remittances from member(s) of their family working in the Gulf and no significant changes in their use of the sums remitted.

Amjad et al. (2013) shed light on the characteristic of Pakistani migrants to remit their savings home in times of crisis. The GFC and the property market crash initially reduced remittances from Dubai in 2009/10, but a sharp increase was observed in the following two years, reflecting the accumulated savings of migrants who had lost their jobs due to the crisis and were returning home, and the panic selling of real estate by Pakistanis who had invested in Dubai. The same attribute is also discussed by Kock and Sun (2011) and Ahmed (2012).

Macroeconomic factors and policy measures in Pakistan

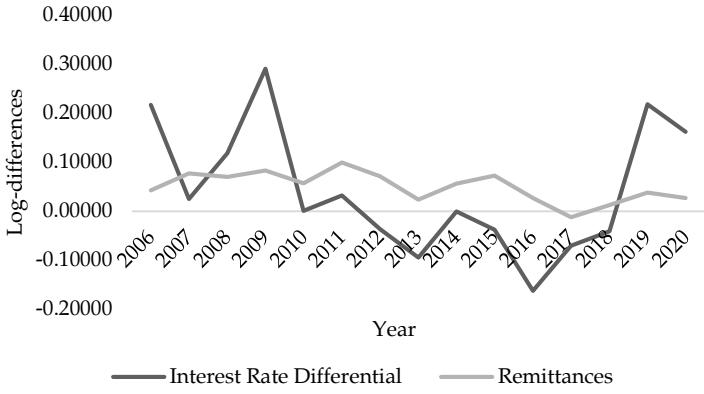
The depreciation of the home currency makes the acquisition of assets at home cheaper for migrants earning in foreign currency, thereby boosting investment-oriented remittance inflows. Figure 1 shows the log-difference of remittances inflows to Pakistan and the PKR per USD exchange rate. Remittances in relation to the exchange rate increased when the home currency depreciated (represented as an upward movement in the log-difference curve) and decreased when it appreciated. During the GFC, the Pakistani rupee continued to depreciate against the US dollar; the rate of depreciation reached about 26 percent in 2009 with a corresponding increase in remittances of around 21 percent (State Bank of Pakistan, n.d.).

Figure 1: Remittances and the exchange rate, 2005–20



Source: Author's calculations based on data from the State Bank of Pakistan.

Figure 2: Remittances and interest rate differential, 2006–20



Source: Author's calculations based on data from the State Bank of Pakistan.

During the same period, Pakistan was undergoing an International Monetary Fund program as well, as part of which the State Bank of Pakistan pursued a tight monetary policy, leading to an increase in the interest rate differential in favor of the country. This increased the incentive for migrants to send money home from an investment point of view. Figure 2 plots the log-difference of remittances inflows and interest rate differential proxied by the difference between the three-month Karachi interbank offer rate and three-month London interbank offer rate. We see a positive relationship between the two variables, suggesting that remittances to Pakistan respond to the variation in investment opportunities compared to the host country.

Special initiatives

In addition to the factors detailed above, the well-timed launch of the Pakistan Remittance Initiative (PRI) in early 2009 facilitated and boosted remittance inflows. Despite a strong financial infrastructure and the considerable outreach of the banking sector, the remittances market was largely untapped. Among the key strategies of the PRI were to involve financial institutions in facilitating inward remittances and offering faster, cheaper and more convenient means of sending and receiving

remittances so that the flows could be directed through formal rather than informal channels.

Under the PRI, bilateral relationships were built between prominent international money transfer companies such as Western Union, Money Gram and Express Money, and domestic banks. The State Bank of Pakistan (the central bank) also took measures to expand and strengthen the country's payment system to facilitate remittance transactions. A real-time gross settlement system was made operational to transfer and settle interbank home remittance transactions in 2012 to enable prompt remittance delivery to beneficiaries.

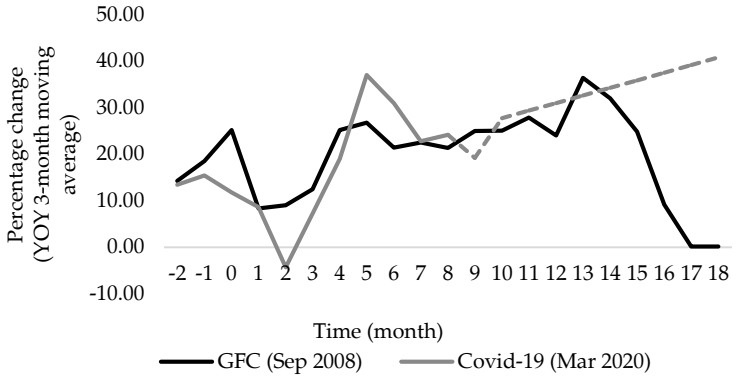
To further minimize delays, the State Bank of Pakistan issued instructions on timelines for the settlement of home remittance transactions; in case of violations, banks were liable to remunerate beneficiaries at a prescribed rate. A cash-over-counter facility was also made available for recipients of remittances. A key policy measure of the PRI was to increase the marketing of official remittance channels among overseas Pakistanis. In late 2009, a performance-based scheme was introduced to encourage money transfer companies and banks to enhance their marketing efforts against which the Government of Pakistan reimbursed their marketing expenses. More information on the PRI can be found on its official website (https://www.pri.gov.pk/) and in Khalid (2017).

The Covid-19 pandemic, 2020

Remittances to Pakistan decreased in the two months following the national lockdown imposed in March 2020 but showed an unprecedented increase in the three months after (June–December 2020). This was contrary to most projections, for instance by the Global Knowledge Partnership on Migration and Development (2020), Iqbal and Javid (2020), and A. Shahzad (personal communication, 30 June 2020). The pattern of remittance inflows during the Covid-19 pandemic in Figure 3 appears to follow that of the GFC that began in September 2008. To understand the underlying factors responsible for these trends, we review the most recent data available to see if evidence in

support of the contributing factors discussed in the previous section can be gathered.

Figure 3: Percentage change in remittance inflows: The GFC and Covid-19 crisis



Note: Time 0 represents the month in which the crises were reported: September 2008 and March 2020. The dotted segment of the Covid-19 line represents the author's forecasts.

Source: Author's calculations based on data from the State Bank of Pakistan.

Diaspora diversification and migrant characteristics

Table 3 expands on the information in Table 1 by incorporating the percentage of total Pakistanis in three major destination areas against their share of total remittances for 2019. Over the years, despite the increasing share of migrants in these regions/countries, their contribution to total remittance inflows has decreased. In 2019, 85 percent of remittances were sent by 68 percent of migrants compared to 90 percent sent by 53 percent of migrants. This suggests less reliance on these destination areas and the growing access of Pakistani workers to more diversified labor markets. The Centre on International Migration, Remittances and Diaspora (CIMRAD, 2020) documents new migration opportunities emerging for Pakistani workers in Malaysia and Japan. Inferences can also be drawn about the better income/earning potential in these countries.

Diversification may have acted as a buffer against the decline in remittance flows as some economies were affected by the pandemic more than others. The UK and US, for example, have been far worse affected by the pandemic than the Gulf economies that host the majority of Pakistani migrants. About 96 percent of Pakistani migrants proceeded to the GCC countries for employment in 2019 (BEOE, n.d.) compared with 53 percent of the diaspora in the same year residing in the region.

Table 3: Percentage share of total migrant stock and total remittances of Pakistanis in three major migration destinations, 2005, 2010 and 2019

	2005		*2010*		*2019*	
Region/country of destination	*% share in total migrant stock*	*% share in total remittances*	*% share in total migrant stock*	*% share in total remittances*	*% share in total migrant stock*	*% share in total remittances*
GCC	36.9	49.5	46.2	58.3	52.6	54.0
UK	9.8	8.9	9.2	9.8	9.6	15.7
US	6.7	31.0	6.1	19.9	6.5	15.2
Total	53.3	89.5	61.5	88.1	68.6	84.9

Source: Author's calculations based on data from the United Nations, Department of Economic and Social Affairs, and the State Bank of Pakistan.

From the earlier discussion, we have seen that South Asian migrants in the Gulf tend not to return to their home countries in case of job loss, mainly due to the high cost of migration they have had to bear, which they often meet by borrowing. In the current scenario, not only are they bound by debt repayment obligations, but also the unpredictable virus situation has limited their prospects and possibilities for migration in the future, thus discouraging them from returning. Travel restrictions have also prevented those who intended to return to Pakistan, having lost their jobs or legal status. For some migrants, this opportunity may have allowed them the time to look for and consider job opportunities in less risky sectors. Further, their strong social linkages would have given them the necessary support to adjust their consumption patterns and keep sending remittances to their families back home.

According to data shared by K. Noor, as of 24 June 2020, 50,000 layoffs had been registered with the BEOE, with a likely increase in the number in the following months (personal communication, 30 June 2020). The 32.6 and 11.9 percent increase in remittances in June and July 2020, respectively, could reflect these returning migrants' savings.

Macroeconomic policies

To provide the necessary stimulus to the economy in the wake of the first national lockdown, which halted economic activity, the Government of Pakistan introduced, among other measures, a special incentive package for the construction sector that included complete amnesty with respect to sources of investment and a markup subsidy for housing finance (RSM Pakistan, 2020). This may have played a major role in attracting investment from overseas Pakistanis as remittances.

Simultaneously, although the State Bank of Pakistan adopted an accommodating monetary policy stance whereby the rate was substantially reduced by 625 bps (as on 23 November 2020), the interest rate differential with respect to most host countries has remained high since March 2020. At the same time, the Pakistani rupee has also depreciated against the US dollar. Both factors may have created the right incentives and a favorable environment for investment-motivated remittances from the well-settled Pakistani diaspora perhaps less affected by the Covid-19 economic slowdown.

Special initiatives

The initial dip in remittances may have been caused by the lockdown measures that restricted or reduced the working hours of money transfer companies or, in some cases, completely closed them, preventing the transfer of remittances through formal means. A. Khalid has drawn attention to the fact that most workers in the GCC countries are employed in the cash-based construction sector: even for those who were not laid off, the lockdown situation may have delayed payment of their salaries, leaving them unable to

send remittances home (personal communication, 30 June 2020). The subsequent sharp rise in remittances could have then come about as migrants sent accrued funds home. Moreover, the lockdown and social distancing measures as well as travel restrictions may have limited the transfer of remittances though informal channels (including pocket transfers). According to an estimate, around USD8 billion worth of remittances were received in the country in a year through unofficial channels (Siddique, 2020). A shift away from the use of informal to formal channels would therefore mean tapping into the potential pool of remittances worth around USD8 billion.

In addition to the above, the Government of Pakistan, in collaboration with the State Bank of Pakistan, expanded its efforts to facilitate inward remittances through formal channels. Effective from January 2020, to encourage domestic commercial banks, microfinance banks and exchange companies providing remittance services to Pakistanis abroad, the performance-based scheme introduced in 2009 and later in 2018 was relaunched. The incentives under the scheme were modified to attract small as well as large providers. Previously, reimbursement was offered only to those mobilizing remittance amounts that had grown by more than 15 percent over the preceding year. However, under the revised scheme, the reimbursement structure was based on tiered growth ranging from 5 percent to 15 percent and above.

The rate of reimbursement of charges under the telegraphic transfer charges reimbursement scheme—aimed at reducing the cost of transferring funds for remitters through official channels (commercial and microfinance banks) on the Saudi–Pakistan corridor—was enhanced to attract smaller remittances between USD100 and USD200 as well. Further, to facilitate investment in government securities denominated in foreign currency by nonresident and resident Pakistanis, the State Bank of Pakistan amended the regulations governing the opening of foreign currency accounts in August 2020 and introduced Rohan Digital

Accounts. Credit into these accounts is permissible primarily through remittances received from abroad via the banking channel.

Over the years, exchange companies, microfinance banks, the Pakistan Post and, in recent years, branchless banking modes have also been engaged under the PRI. In December 2017, the State Bank of Pakistan, in collaboration with commercial and microfinance banks, and telcos providing branchless banking (BB) services, launched a scheme to facilitate home remittances through BB channels (also known as m-wallet or mobile wallet accounts). Such accounts receiving credit through home remittances were tagged 'home remittance accounts' (HRAs). The idea behind the initiative was to use the extensive network of BB agents in Pakistan to provide cost-effective and convenient delivery of remittances to the intended recipients.

To incentivize the use of these accounts for remittance receipts, airtime in domestic currency twice the equivalent dollar amount was provided to the HRA holder against the registered mobile number. The complete incentive amount was borne by the Government of Pakistan, in a way acting as an incentive for the BB providers who would enjoy increased business at no additional cost. To match the convenience aspect offered by unofficial channels, home delivery of remittances was also offered.

Table 4 presents information on the volume and value of international home remittance transactions in HRAs, as published by the Agricultural Credit and Microfinance Department. The data shows that there was an increase in the uptake of branchless modes of transfer and receipt of funds during the lockdown period. The number of transactions increased around threefold between July and September 2020 compared to between January and March 2020, while the value of these transactions quadrupled over the same period (Agricultural Credit and Microfinance Department, 2020). These figures may have contributed to the recorded increase in official remittance flows.

Table 4: Change in international home remittance transactions, Jan–Mar 2020 to Jul–Sep 2020

Jan–Mar 2020		*Apr–Jun 2020*	
Volume of transactions (number)	*Value of transactions (PKR)*	*Volume of transactions (number)*	*Value of transactions (PKR)*
55,815	580,943,594	116,444	1,850,224,730

Jul–Sep 2020		*% change (Jan–Sep 2020)*	
Volume of transactions (number)	*Value of transactions (PKR)*	*Volume of transactions (number)*	*Value of transactions (PKR)*
154,871	2,314,984,374	177.5	298.5

Source: Author's calculations based on data from the Agricultural Credit and Microfinance Department, State Bank of Pakistan.

What does the future look like?

According to BEOE data, only 224,705 Pakistanis proceeded abroad for employment in 2020. This number is considerably lower (64 percent) than in the previous year when 625,203 were registered with the BEOE to have travelled abroad for work (BEOE, n.d.). K. Noor points out that, as of June 2020, 102,387 jobs—at different recruitment stages—were expected not to materialize due to the prevailing Covid-19 situation, and 59,783 Pakistanis who had found work abroad were unable to travel due to travel restrictions imposed by the host country to control the spread of the virus (personal communication, 30 June 2020). The deteriorating labor migration situation could translate into a potential loss in remittance earnings for the country. However, the demand for Pakistani labor largely depends on the state of the economy in the GCC countries. As they begin to reopen after the lockdown, employment prospects might arise. This is not discounting a relative increase in difficulty in terms of the formalities, time and added costs involved in migrating.

On one hand, the decline in oil prices due to the breakdown of the OPEC+ agreement and reduced demand for oil as Covid-19-related travel restrictions came into play have acted as an additional negative shock to the economy of oil-exporting countries. The

resulting fall in revenues has worsened these governments' budget situation, consequently seeping into their investment plans. While oil prices could recover as economies reopen and travel bans are lifted, it is unlikely that prices will return to their 2019 level (International Monetary Fund, 2020). This could affect employment opportunities for migrant workers. On the other hand, most GCC countries prior to the pandemic had increased efforts to diversify their means of revenue apart from oil earnings. If these were to materialize, job opportunities might not be as limited as expected. Non-oil GDP has a positive relationship with the demand for Pakistani labor (CIMRAD, 2020).

In terms of the Pakistan government's efforts, Al Mulla (2020) reports that the government had formally requested the Kuwaiti authorities for a memorandum of understanding between the two countries to hire 100,000 skilled workers from Pakistan. Although this has not been finalized, Kuwait has agreed to hire 444 Pakistani doctors, paramedics and nurses. More efforts such as these could prove favorable for the labor migration process post-Covid-19 and increase remittances. Prior to the pandemic, such agreements and efforts had been made with the UAE, Malaysia and Japan (CIMRAD, 2020). It can only be hoped that these are followed through, in which case remittance flows could see a further boost.

The situation at present is largely unpredictable and only time will tell as new events unfold and factors in the backdrop emerge. It is important to recognize that all these factors apply to the long run and better containment of the virus is a prerequisite.

Given the situation so far, a very simple linear forecast model predicts an increasing trend in remittances (see the dotted part of the Covid-19 trend line in Figure 3). However, in practice, can the encouraging growth in remittances witnessed so far be sustained in the long run? And how is this to occur? Both remain pressing questions. While the convenience offered by digital modes of transfer may retain some users, for other remitters still more accustomed to conventional modes to continue using official channels once travel restrictions are lifted, authorities will need to

redirect their attention toward policy measures relating to the transaction cost of remittances to compete with the *hundi/hawala* market.

Another aspect revolves around the purpose of the remittances received. The portion of additional remittances being sent home to help families or as a buffer to avoid delays or inability to remit money due to potential further lockdowns may fall once the situation improves. However, those remittances directed toward savings and investment are the key to sustaining growth in remittances. The continued policies of the government to encourage and incentivize overseas Pakistanis to invest their earnings in their home country would help achieve this objective.

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Chapter 5

Covid-19, overseas migration and Pakistan's domestic labor market: Issues, challenges and opportunities

G. M. Arif and Shujaat Farooq

Introduction

This chapter examines the effect of Covid-19 on Pakistan's domestic labor market in the context of a sharp decline in overseas outflows of Pakistani workers and the possible return-flows of workers presently living and working abroad. In the last four and a half decades, overseas migration—particularly to the Middle East—has greatly bolstered the domestic labor market. For instance, the total labor force of the country increased from 55.6 million in 2007/08 to 65.5 million in 2017/18—an increment of 9.6 million in a decade, influenced heavily by the high population growth rate and the consequent skewed age structure and youth bulge (Khan, 2012). The placement of Pakistani workers in the overseas labor market during this period was around 6 million, which is equal to two thirds of the total number of new entrants into the labor force. Not only has the Covid-19 pandemic largely put a freeze on the emigration of workers, but the return-flows of migrant workers are also likely to increase.

The combined factors of a decline in overseas migration and increased return-flows of workers is likely to have a strong impact on Pakistan's labor market—the employed labor force risks losing jobs because of the contraction in economic activities after the outbreak of Covid-19, which has triggered negative economic

growth and the shutdown of various businesses. This impact is expected to vary across provinces and regions, particularly affecting Khyber Pakhtunkhwa (KP) and Azad Jammu and Kashmir (AJK), which account for relatively high shares of overseas migration compared to their share of the total population. The impact is also likely to be disproportionately high for semi-skilled and unskilled workers—the two major skill categories of Pakistani migrants working abroad.

This chapter aims to: (i) estimate the impact of Covid-19 on the annual placement of workers, particularly for the 2020–22 period, by province; (ii) estimate the return-flows of overseas Pakistanis by province of origin; and (iii) draw implications for the domestic labor market. The rest of the chapter is organized as follows. Section 2 provides a detailed analysis of the impact of the Covid-19 crisis on the Middle East labor migration system, which has generated employment opportunities on a large scale for expatriates, including migrant workers from Pakistan. Our methodology and data sources are reported briefly in Section 3, while Section 4 presents province-level information on population, labor force and overseas migration to underscore the importance of temporary overseas migration as a source of labor absorption. The impact of Covid-19 on outflows and return-flows of workers is discussed in Section 5. The perceptions of migrant workers are discussed in Section 6, followed by Covid-19-influenced challenges related to the employment of the domestic labor force and opportunities in Section 7. The final section presents our concluding remarks.

Covid-19 and labor migration to the Gulf

The six countries that comprise the Gulf Cooperation Council (GCC)1 have been the destination of more than 90 percent of Pakistani workers placed abroad by the Bureau of Emigration and Overseas Employment (BEOE) for temporary employment during the last four and a half decades. A review of temporary labor migration to the GCC countries before and after the outbreak of the pandemic in February 2020 is critical to put the study in context.

[1]Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE.

Pre-Covid immigration in the GCC

The Population Division of the United Nations Department of Economic and Social Affairs (2019) estimates that there are about 35 million international migrants in the GCC countries. In Jordan and Lebanon, women account for 31 percent of international migrants. The population of migrants in these countries is equivalent to over 10 percent of all migrants globally, while Saudi Arabia and the UAE host, respectively, the third- and fifth-largest migrant populations in the world.[2] Before the emergence of Covid-19, most of these workers were from Asia, with a sizeable number also coming from Africa, especially Egypt. Most migrant workers were in low-skilled, low-wage occupations.

The proportion of nonnationals in the GCC countries has increased over time despite their governments' efforts and policies to curtail the inflows of foreign workers. Before the outbreak of Covid-19, the share of nonnationals in the total population of Saudi Arabia was around 40 percent in 2018. Most of the population in Bahrain (52 percent) and Kuwait (69 percent) consisted of foreign nationals. Both Qatar and the UAE had a massive population of foreigners—86 and 89 percent, respectively, according to Gulf Labor Markets and Migration (2017). The share of the second generation in the nonnational population is high as well in countries that allow migrants to bring their families with them, such as Kuwait, where about 18 percent of all nonnationals were born in the country (Shah, 2013). The proportion of nonnationals in the employed population in the GCC countries was among the highest in the world, with an average of 70.4 percent (Gulf Labor Markets and Migration, 2017).

Despite the drive to nationalize the labor force, pre-Covid-19 projections suggested that the demand for migrant workers would remain high in the GCC countries, particularly in the construction industry. It was also projected that foreign workers would be required in the services and hospitality sectors because of the mega-investment infrastructure developments initiated as a diversification

[2]For details, see https://www.ilo.org/beirut/areasofwork/labor-migration/lang--en/index.htm

strategy.[3] A large shortage of workers was also projected before the pandemic in medical and nursing staff at various hospitals across the GCC countries. All the major Asian labor-sending countries, including Pakistan, continued to encourage migration to the Gulf states as a means of reducing unemployment and poverty and enhancing foreign exchange earnings.

Pre-pandemic, given the GCC countries' drive towards knowledge-based economies, the World Economic Forum's Future of Jobs analysis projected that, compared to 2015, 21 percent of the core skills required across all occupations would be different in the future. There would be a strong demand for professionals who could blend digital skills with traditional subject expertise, resulting in a growth in new occupations and a decline in some occupations. Consequently, more coordination between origin and destination countries would be required to harmonize their skills recognition systems and qualifications, retain highly skilled migrants who could support the GCC vision of a knowledge-based economy, and ensure the retention of lower-skilled migrants, particularly in the care economy.

Covid-19 and the plight of overseas migrant workers in the GCC

As elsewhere in the world, the Covid-19 pandemic has largely put a freeze on migration to the GCC region. Migrants who had returned home on leave could not fly back to their workplace because of travel bans. This also applied to fresh job seekers with valid visas and work permits. Moreover, migrants are more vulnerable due to inadequate healthcare, poor economic conditions and overcrowded living conditions, which put them at greater risk of infection. Most Covid-19 cases in the GCC region are among foreign migrants (Karasapan, 2020).

The region's economic situation has worsened since 2016 and the pandemic has raised further economic challenges. The Saudi economy was badly hit as its GDP slumped by 7 percent, compounded by a high unemployment rate (15 percent in the

[3]For example, the UAE's Expo 2020 and Dubai's Blue Water Island, Qatar's World Cup 2022 and Lusail, Saudi Arabia's Kingdom Tower and the Riyadh Metro, Bahrain's The Avenues, Kuwait's Olympic Village, and Oman's Ras Al Khar Eco-Resort Sur.

second quarter of 2020).[4] To control deficits, the country has taken various unpopular measures that have led to inflation and caused business activities to shrink further. The value-added tax has tripled, payouts to poorer households have been reduced, taxes on petrol and electricity have increased, and cost-of-living allowances for state workers have been discontinued.

By end-2020, a total of around 1.2 million expat workers were projected to leave Saudi Arabia—home to some 10 million expatriates. Some 300,000 expatriates have already left one Riyadh-based investment company (Jadwa Investment), representing roughly 2.5 percent of total employees in the country. Reports from the major labor-sending countries confirm the large-scale repatriation of their workers. For instance, Karim, Islam and Talukder (2020) report that a total of 666,000 migrant workers were sent back to Bangladesh after the Covid-19 outbreak and 2 million could face possible deportation during and after the pandemic. From Dubai alone, 75,000 Pakistani workers had returned home by July 2020. About 300,000 of 2.5 million Tamils from India, working in different countries, have come back to Tamil Nadu in five months, and around 17,000 Indians have been evacuated on 115 flights from Singapore. In Kerala, another major sender of migrants from India, 254,000 expats have returned, of about 500,000 who had originally registered for repatriation. It is projected that 2 million to 3 million Indians will return soon.

The two-to-three-month lockdown during the Covid-19 crisis has adversely affected most sectors of the GCC economies, particularly construction, hospitality, food services, retail, accommodation, and administrative and support activities. Sectors such as construction and retail were struggling even before the crisis, which has now exacerbated hardship for workers, particularly delays in payment. Since most Pakistani workers are engaged in blue-collar jobs, most of them have faced challenges including high unemployment, limited job

[4]https://oilprice.com/Latest-Energy-News/World-News/Saudi-Arabias-Economy-Hit-Hard-By-The-Oil-Price-Crash.html

opportunities, reduced working hours, isolation, poor quality of living, and mental stress.

Not only have overseas workers in the GCC countries not been compensated financially during the pandemic, but certain policies have also made them more vulnerable. For example, employees may face salary cuts of up to 40 percent or termination of their contract (Al Shurafa, 2020). As a result, many overseas workers have had to contend with reduced salaries or been fired from their jobs.

The economy of the GCC and job market after Covid-19

The future job perspective depends on the revival of the economy in the GCC countries. In 2020, the International Monetary Fund sees economies in the GCC down by 7.6 percent. Saudi Arabia is expected to suffer the biggest recession in almost two decades; its oil industry—the main engine of the economy—may reduce jobs for foreigners. Similarly, the state-owned Saudi Aramco has begun cutting hundreds of jobs as it seeks to cut costs after energy prices fell. The Covid-19 crisis could wipe out 900,000 jobs in the UAE due to a recession in the construction sector as various construction companies have been bankrupted. The Emirates airline has also cut a tenth of its workforce. Various international chains have closed their businesses after heavy losses. According to the International Monetary Fund, it could take countries in the Middle East and Central Asia a decade to return to the economic growth seen before the Covid-19 crisis, as long-standing regional vulnerabilities weigh on their recovery (Barbuscia, 2020).

Sectors of the GCC economies that depend on foreign workers may turn to technology, automation and artificial intelligence. A recent survey of company chief executives in 45 countries showed that they were speeding up plans to automate their businesses; some 41 percent said they were investing in accelerating automation as businesses prepared for a post-crisis world. The use of technology will reduce or eliminate the need for human workers, with an adverse effect on the inflows of expatriates (aus dem Moore, Chandran & Schubert, 2018).

Overall, the pandemic may result in greater indigenization of the population and labor force in the GCC. However, locals—for instance, in Saudi Arabia—show little interest in low-paying jobs, making the future of the Saudization plan uncertain. Another concern is that the massive departure of foreigners may disrupt the Gulf economies, at least in the short term.

There are signs that the post-Covid-19 situation may bring about new opportunities for migrants. For example, many migrants are filling frontline medical positions or providing essential services, such as stacking supermarket shelves or cleaning hospitals. With economic recovery, the demand for foreign workers will ramp up, although some sectors are unlikely to be back in business soon. In the GCC countries, extensive plans for infrastructure and socioeconomic development are likely to continue to necessitate the import of foreign workers, given the small number of indigenous workers. However, the scale and number of such plans may be reduced. Citizens or nationals prefer to work in public sector jobs that are less arduous and less competitive. Despite labor policies encouraging employment of nationals and greater reliance on automation and technology, foreign workers will remain critical to these economies for many years. However, the likely scenario is that, post-pandemic, the demand for foreign workers in the GCC countries will remain much lower for a longer period than the demand pre-Covid.

Methodology and data sources

Although Pakistan has been a major supplier of workers to the GCC countries since the mid-1970s, the bulk of emigration took place during the last one and a half decades, from the mid-2000s to date. This chapter covers the period 2001–20. To assess the impact of Covid-19 on the emigration of Pakistani workers and return-flows, our analysis is carried out in three steps. First, we link the annual placement of workers through the BEOE to the domestic labor force—mainly new entrants—to understand the importance of overseas migration for the absorption of Pakistani workers. Second, we estimate the impact of the pandemic on outflows of Pakistani workers in the future (2020–22) and return-

flows of migrants working in the GCC countries. Third, we look at the implications of the standstill in outflows of workers and unexpected return-flows for the domestic labor market. Given the great variation across the provinces in the placement of workers abroad, the provincial dimension is the focus of our analysis.

The BEOE's registration data is our main source of information on the magnitude of overseas migration. For linkages with the domestic labor market, we have culled data from two labor force surveys carried out by the Pakistan Bureau of Statistics in 2001/02 and 2017/18. The 2017/18 Labor Force Survey is the last available survey. The Pakistan Demographic and Health Survey (PDHS) 2017/18, which includes a migration module, has also been used as a data source. All datasets used in this study are representative at the provincial level.

We have also conducted interviews with various stakeholders to gauge the potential adverse impacts of the Covid-19 crisis on overseas migration. These include discussions with 15 overseas Pakistani workers currently working abroad, 11 migrant workers who had temporarily returned to Pakistan, four overseas workers who were unable to migrate due to the pandemic, and six overseas employment promoters. The information gathered during these interviews covered their experiences during the outbreak of Covid-19 and their perceptions of the future employment of Pakistani workers in various overseas labor markets.

Population, labor force and overseas migration: A province-level analysis

The continued high population growth rate—2.4 percent per annum, according to the 2017 census—affects the size of the domestic labor force as young people commence job searches in the labor market. This entry of job seekers increases the stock of unemployed if there are insufficient employment opportunities. Thus, the employment of young people in overseas labor markets helps improve the overall employment situation. In the case of Pakistan, as noted earlier, the contribution of overseas migration to the domestic labor market can vary across provinces because of

dissimilarities in magnitude. The population-labor force-overseas migration nexus is explored below.

Population and the labor force

Table 1 gives data on the working-age (15+) population and labor force (15+) by province for the period 2001–18. The population of working-age Pakistanis increased from 81 million in 2001/02 to 122 million in 2017/18—a jump of about 51 percent during a period of 16 years. In this time, the total labor force of the country increased from 41 million to 63 million—an increase of 55 percent. During these 16 years, there were 22 million new entrants into the labor force, adding on average around 1.5 million people per annum. The growth of the working-age population has been highest in KP (about 62 percent during 2001–18) and lowest in Punjab (about 47 percent). However, the highest growth of the labor force was witnessed in Sindh (about 62 percent during 2001–18), followed by KP, where it grew by 60 percent. The growth of the labor force in Balochistan was 47 percent, the lowest among all the provinces.

Table 1: Increase in working-age population (15+) and labor force (15+) by province, 2001/02 and 2017/18

	Population (15+) (million)		*Labor force (15+) (million)*		*Increase (%) 2001/02 to 2017/18*	
Province or region	*2001/02*	*2017/18*	*2001/02*	*2017/18*	*Population (15+)*	*Labor force*
Pakistan	81.2	122.2	41.0	65.5	50.5	54.6
Punjab	47.7	70.0	25.5	40.0	46.8	51.4
Sindh	19.2	29.5	9.1	15.2	53.6	61.5
KP	10.9	17.6	4.7	7.7	61.5	59.6
Balochistan	3.4	5.1	1.7	2.6	50.0	47.1

Source: Pakistan Bureau of Statistics (2012, Table 3; 2019, Table A3).

The size of the labor force is directly influenced by the labor force participation rate (LFPR). A brief discussion at the provincial level is relevant here. Table 2 reports LFPR statistics for two periods, 2001/02 and 2017/18, by gender and province. It shows the total fertility rate (a strong indicator of natural increase), the incidence of migration and the share of inter-provincial migration, which is directly related to the growth of population and the labor force.

Table 2: LFPR, total fertility rate and internal migration, by province

	Labor force participation rate 2001/02			*Labor force participation rate 2017/18*		
Province	*Both*	*Male*	*Female*	*Both*	*Male*	*Female*
All	43.3	70.3	14.4	44.3	68.0	20.1
Punjab	46.3	71.6	19.9	47.9	69.9	26.5
Sindh	40.5	70.4	6.1	42.3	68.5	12.1
KP	36.4	65.2	7.2	34.4	61.1	11.3
Balochistan	40.2	68.0	6.0	39.0	63.8	7.9
AJK	-	-	-	30.5	54.8	7.9

Province	*Total fertility rate, 2017/18*	*Incidence of migration, 2017/18*	*Inter-province share (%)*	*% who moved in the last 10 years*
All	3.6	10.7	22.6	42.9
Punjab	3.4	13.4	11.9	41.4
Sindh	3.6	8.0	43.8	35.9
KP	4.0	6.7	23.6	50.0
Balochistan	4.0	6.1	52.4	57.2
AJK	3.5	7.7	58.9	-

Source: Pakistan Bureau of Statistics (2012, 2019); National Institute of Population Studies (2019).

Our analysis reveals that there was little change in the overall and male LFPR during these periods, while the overall female LFPR increased only modestly—14 percent in 2001/02 to 20 percent in the second period. It also remained low in comparison with other regional countries such as Bangladesh, India and Sri Lanka. Within the country, the LFPR varies from 8 percent in Balochistan in 2017/18 to 27 percent in Punjab. Table 2 shows that, while the LFPR for females doubled during 2001–18 in Sindh, from 6 percent to 12 percent, it remained less than half the corresponding rate in Punjab. In KP too, despite an increase of 4 percentage points in the female LFPR during 2001–18, it remained low at only 11 percent. The female LFPR is currently extremely low in all provinces except Punjab.

Fertility transition in Pakistan is not only delayed, when compared with other countries in the region (for example, Bangladesh, India and Sri Lanka), it is very slow as well. The total fertility rate for the 2017/18 period is estimated at 3.4 children per

woman. It is higher in KP with 4.0 children per woman, and slightly lower in the other provinces: 3.4 in Balochistan and 3.6 in both Punjab and Sindh.

The incidence of migration (under the 'lifetime migration' concept)[5] varies across provinces; 13 percent of the population of Punjab was termed 'migrant' in 2017/18 since their current place of residence (district) was different from their district of birth according to the National Institute of Population Studies (2019). The corresponding incidence in the other three provinces is relatively low—8 percent in Sindh, 7 percent in KP and 6 percent in Balochistan. However, the share of inter-province movement in total migration, which affects province-level growth in terms of population and the labor force, is highest in Balochistan at 52 percent, followed by Sindh at 44 percent. It is lowest in Punjab at only 12 percent.

Table 2 also reports another piece of information on the share of migrants who changed residence during the ten years before the PDHS survey 2017/18 and can be termed 'recent migrants.' Interestingly, more than half of the migrants who moved to Balochistan are recent migrants while the corresponding proportion in Sindh is only 36 percent. The share of recent migrants in KP (50 percent) and Punjab (41 percent) is higher.

It appears from these simple statistics that the female LFPR and inter-province migration are key factors that explain province-level variations in the increase in the labor force, although variations in the total fertility rate are also likely to influence this. The contribution of inter-province migration to the growth of the labor force seems to be higher in Sindh and Balochistan. In Punjab, the female LFPR appears to be the key factor in the overall growth of the labor force. The corresponding growth in KP is influenced primarily by natural increases, mainly fertility.

[5]The 'lifetime migration' concept considers a person a migrant if their current place of residence at the time of a survey or a census is different from their place of birth. As in other parts of the world, in Pakistan, place of birth or current residence refers to the boundary of a district (National Institute of Population Studies, 2019). In other words, intra-district movement is not included in lifetime migration.

Trends in and magnitude of overseas migration

The stock of overseas Pakistanis refers to all Pakistanis who live abroad as permanent residents, students or temporary workers, whereas the concept of flows of emigrant workers includes only those Pakistanis who have found employment abroad and are registered with the BEOE. About 8.84 million overseas Pakistanis were living around the world as of 31 December 2017 (Table 3). The main concentration of overseas Pakistanis is in the Middle East (53 percent), Europe (24 percent) and the Americas (15 percent). Other regions where Pakistanis have settled permanently or live on temporary visas/permits are Africa, Australia and New Zealand (Table 3).

Table 3: Regional distribution of the Pakistani diaspora as on 31 December 2017

Region	*Number of overseas Pakistanis*	*Percentage share*
Africa	285,271	3.2
Americas	1,353,255	15.3
Asia and Southeast Asia	208,259	2.4
Australia and New Zealand	106,000	1.2
Europe	2,123,413	24.0
Middle East	4,761,913	53.0
Other	2,621	0.02
Total	8,840,732	100.0

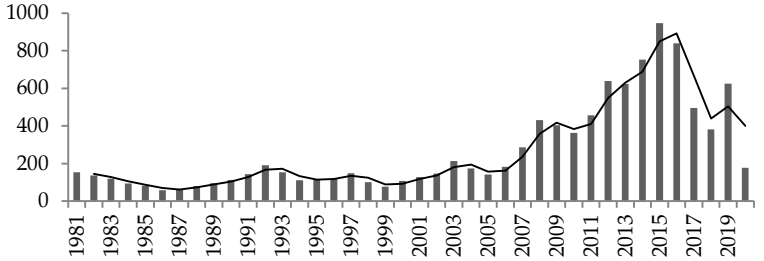
Source: Bureau of Emigration and Overseas Employment (https://beoe.gov.pk/).

The main distinguishing feature of overseas Pakistanis working in the Middle East relative to those settled or working in the rest of the world—particularly the UK, US and Canada—is their residential status, which remains temporary for the former even after a long stay. The province-wise breakdown of the stock data, particularly for those in non-Middle Eastern countries, is not available. Information on their work status is largely missing as well (International Organization for Migration, 2019).

The BEOE has organized the registration of migrants going abroad for temporary employment since the early 1970s. Registration data shows that the BEOE placed more than 11 million

Pakistani workers abroad between 1971 and December 2019, mainly in the Middle East (96 percent) (Ministry of Finance, 2018). A jump in this placement has been observed in the last decade: the placement of workers processed through the BEOE increased from 287,000 in 2007 to 947,000 in 2015 and 839,000 in 2016—the highest ever number of Pakistani workers placed abroad for employment. However, the number slumped sharply to 496,300 in 2017 (Figure 1). The decline between 2015 and 2017 is especially apparent for Saudi Arabia, in part because of the slowdown in construction activities in the country.[6] However, the placement of workers in 2019 increased to 625,000 and, in the first three months of 2020, just before the breakout of Covid-19, 177,000 workers found jobs abroad, mainly in Saudi Arabia and the UAE (Figure 1).

Figure 1: Annual placement of Pakistanis in overseas markets ('000), 1981–2020



Source: Bureau of Emigration and Overseas Employment (https://beoe.gov.pk/).

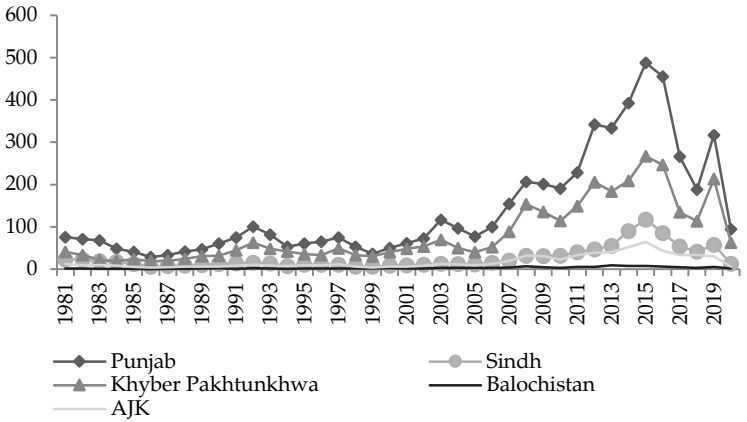
Four aspects of labor migration are noteworthy. First, the GCC countries are the destination of almost all Pakistani workers (96 percent). No new markets have been identified for placement except the Republic of Korea, which inducts only a small number of Pakistani workers.[7] Second, the skill composition of Pakistani

[6]However, there are also other reasons, as reported in the 2017/18 Pakistan Economic Survey, including (i) the Gulfization policy adopted by the GCC countries to transform the economy from an oil-based economy to a services economy; (ii) Saudization, whereby Saudi companies are required to hire Saudi nationals up to a certain level; and (iii) a reduction in work visa validity to one year for expatriates (Ministry of Finance, 2018).

[7]Italy has very recently opened its immigration to overseas workers, including Pakistanis. Japan also allows emigration from Pakistan. The UK has relaxed its policy by giving work permits to foreign students.

workers in the region has not changed or improved over time; an overwhelming majority remains in the low-skill, low-wage category. Third, the participation of workers from Sindh and Balochistan in overseas employment has remained relatively low, well below their share of Pakistan's population. Emigrant workers have mainly been recruited from Punjab, KP and AJK, although Sindh has increased its share very recently since 2015 (Figure 2). The share of migrants from KP is much higher than its share of the total population (Figure 2 and Table 1). Finally, overseas migration from Pakistan is also characterized by the low participation of female migrant workers.

Figure 2: Annual placement of Pakistanis in overseas markets by province or region of origin ('000), 1981–2020



Source: Bureau of Emigration and Overseas Employment (https://beoe.gov.pk/).

New entrants in the labor force and overseas migrants

Table 4 shows the importance of overseas migration across the provinces for the absorption of the Pakistani labor force. The 16 years under study are divided into two subgroups—2001/02 to 2010/11 and 2010/11 to 2017/18—because of the relatively large-scale emigration of workers during the latter period. Overall, the total placement of workers between 2001/02 and 2010/11 was equal to 17 percent of new entrants into the labor force and increased to 54 percent in the 2010/11–2017/18 period.

In this time, 8.9 million people entered the labor force whereas more than 5 million workers were placed in overseas labor markets—mainly the GCC countries—by the BEOE. There is, however, a great deal of variation in terms of the placement of workers across provinces. In KP, the placement of workers abroad (1.5 million) was much higher as a proportion of new entrants into the labor force (1.2 million), that is, a ratio of 126 percent. The ratio in Balochistan, on the other hand, is extremely low—only 12 percent. The placement of workers abroad from Punjab for the 2010–18 period was 46 percent, while the corresponding proportion for Sindh was 38 percent.

Table 4: Overseas migration of Pakistani workers as a proportion of new entrants into the labor force, by province, 2001/02 to 2017/18

Province or region	*Labor force in 2017/18 ('000)*	*New entrants into labor force ('000)*		*Number of workers placed abroad ('000)*	
		2001/02–2010/11	*2010/11–2017/18*	*2001/02–2010/11*	*2010/11–2017/18*
All	63,400	13,400	8,900	2,472	5,135
Punjab	38,600	7,300	5,800	1,277	2,694
Sindh	14,700	4,200	1,400	187	530
KP	7,500	1,600	1,200	807	1,509
Balochistan	2,500	400	400	34	49
AJK	-	-	-	164	338
GB	-	-	-	3	17

Province or region	*Workers as % of new entrants*		*% of households that reported a member had emigrated in the last 10 years*
	2001/02–2010/11	*2010/11–2017/18*	
All	17.2	53.7	7.0
Punjab	17.5	46.4	7.9
Sindh	4.4	37.8	2.3
KP	50.4	125.7	13.1
Balochistan	8.5	12.1	0.8
AJK	-	-	18.5
GB	-	-	3.3

Source: Labor Force Survey 2001/02 and 2017/18; PDHS 2017/18.

The linkages between overseas migration and the province-level increase in the labor force are supported by the household-level data generated by the 2017/18 PDHS, which shows that, overall, 7 percent of households reported the emigration of a member during the ten years before the survey. However, this varies greatly from less than 1 percent in Balochistan to 13 percent in KP. This means that one in eight households in KP had a member working abroad in 2017/18. The proportion of households sending a worker abroad is also considerably high in Punjab at 8 percent. However, in Sindh and Balochistan, this proportion remained low—only 2.3 and 0.8 percent, respectively. In short, the importance of overseas migration for the absorption of the labor force as well as the wellbeing of their households is very high and critical for KP and the high-migration areas (districts) of Punjab.

Assessing the impact of Covid-19 on outflows and return-flows

Outflows of workers

It is difficult to assess the effect of Covid-19 on overseas migration and the return-flows of migrant workers. However, some facts are well-established. For example, there was zero placement of workers abroad after mid-March 2020, when all manner of restrictions on movement were introduced in Pakistan as well as by overseas governments. During the first three months of 2020, just before the pandemic struck, about 177,000 Pakistanis found jobs abroad—36 percent more than in the same period in 2019. Based on this information, our earlier review of the post-Covid-19 situation in the GCC countries, and certain scenarios and assumptions (reported below), we can estimate the impact of the disease on overseas migration flows from Pakistan, with a provincial breakdown.

The expected outflows for 2020 in the absence of Covid-19 are estimated in two scenarios (assumptions): (i) the same level of outflows as reported for 2019 from April to December plus actual flows in the first three months of 2020 (scenario A), and (ii) assuming that outflows in 2020 would increase at a rate similar to the percentage increase between 2018 and 2019 (scenario B).

Under the first scenario, around 676,000 Pakistani workers were likely to be placed abroad in 2020, had there been no outbreak of disease, while under the second scenario, over a million workers were likely to find jobs abroad (Table 5).

We assume that the recruitment of Pakistani workers for overseas employment will not take place before January 2021, suggesting that around 499,000 workers in scenario A and 883,000 workers in scenario B would not go abroad in 2020 due to the Covid-19 outbreak. The impact of these figures is staggering for both KP and Punjab—38 and 50 percent, respectively. If we posit the gradual placement of workers abroad, it is estimated that, in 2021, around 270,000 to 406,000 workers would go abroad. These figures are equal to 40 and 60 percent of the outflows in 2019. In 2022, the placement of workers is likely to be around half a million (Table 5), far less than the outflows in 2019.

Table 5: Impact of Covid-19 on overseas migration of Pakistani workers

Indicators	*Pakistan*	*Punjab*	*Sindh*	*KP*	*Balochistan*	*Other* [a]
	Placement of workers					
No. of emigrants in 2018 ('000)	382	188	42	114	3	36
No. of emigrants in 2019 ('000)	625	317	57	213	5	33
% increase from 2018 to 2019	63.6	68.6	35.7	86.8	66.7	-8.3
Expected outflows of workers if there had been no outbreak of Covid-19						
Expected outflows for 2020 ('000) in scenario A	676	342	62	231	6	35
Expected outflows for 2020 ('000) in scenario B	1,048	534	77	398	8	30
Impact of Covid-19 on outflows of workers in 2020: No placement of prospective migrants [b]						
Outflows of workers in 2020 ('000)	499 (883)	253 (447)	37 (66)	191 (338)	3 (5)	15 (26)

Impact of Covid-19 on outflows of workers: Number of workers likely to get a job abroad in 2021 to restore 2019 level						
Outflows of workers in 2021 ('000): Low (60%)	406	205	37	139	4	21
Outflows of workers in 2020 ('000): High (40%)	270	137	25	92	2	14
Impact of Covid-19 on outflows of workers: Number of workers likely to get a job abroad in 2022						
Outflows of workers in 2022 ('000): Low (80%)	541	274	50	185	5	28
Outflows of workers in 2022 ('000): High (60%)	406	205	37	139	4	21

Note: a = including AJK and Gilgit-Baltistan, b = both scenarios A and B are reported, the latter in parentheses.

Source: Authors' calculations.

Return-flows of migrant workers

In the temporary international labor migration system, overseas workers cannot usually stay in their destination country permanently. At the end of their employment contracts, they must return to their home countries. This applies to the Middle East migration system as well. For example, as noted earlier, during 1971–2020, more than 11 million workers went abroad through the BEOE, but the total stock of Pakistanis in the region was around 5 million in December 2017 (Table 2), showing that approximately 6 million workers returned home after completing their contractual employment abroad.

The pandemic is likely to expedite the return-flows of workers for three reasons. First, because of pandemic-related health problems, workers may decide to end their overseas employment and return home. Second, the likely scenario is that overseas workers' contracts will not be extended when they expire; the usual duration of a contract is two years. Third, workers engaged in economic activities abroad and affected by the crisis may lose their jobs and have no choice but to return home. Reportedly, thousands of workers returned from the UAE, with many more waiting in different destination countries to return home (International Labour Organization, 2021). The Government of Pakistan has planned for their safe return.

Table 6: Impact of Covid-19 on return-flows of Pakistani workers, 2020/21

Indicators	*Pakistan*	*Punjab*	*Sindh*	*KP*	*Balochistan*	*Other*
Expected return-flows						
Low ('000)	577	302	58	173	5	38
Medium ('000)	1,153	603	116	347	11	77
High ('000)	1,730	905	175	520	16	115
Labor force impact of return migration						
Low (% of labor force)	0.8	0.7	0.4	2.0	0.2	-
Medium (% of labor force)	1.6	1.4	0.7	3.9	0.5	-
High (% of labor force)	2.5	2.1	1.1	5.9	0.8	-

Note: The estimation is carried out using the 2011–20 overseas stock in the Middle East.

Source: Authors' calculations.

Here, we develop three variants to estimate the return-flows of Pakistani workers: low, medium and high. Under the low variant, we assume that 10 percent of workers in the Middle East (the GCC mainly) will return home, whereas 20 percent of workers return home in the medium variation. The high variant considers return-flows from the Middle East to be as high as 30 percent. We assume no return migration from Europe and other destinations. Based on these assumptions, we estimate that about 0.6 million to 1.7 million workers may return home, which is equal to 0.8–2.5 percent of the domestic labor force (Table 6). Return-flows would influence the KP labor market the most where these flows could be equal to 2–6 percent of the labor force.

Both a restraint on the outflows of workers as well as increased return-flows have serious implications for the domestic labor market, affected households and potential inflows of foreign remittances. A hefty 1 million to 2.7 million workers, who would have been placed abroad as fresh migrants in 2020 or would not have left their jobs overseas, may seek employment in the domestic labor market, which may not offer sufficient job opportunities because of low or even negative economic growth. This could result in an unprecedented increase in the rate of unemployment, particularly in KP, some parts of the Punjab and

AJK. According to the 2017/18 Labor Force Survey, the stock of unemployed was about 3.8 million. This could jump to 5 million if potential migrants and return migrants cannot be absorbed by local or overseas labor markets.

Perceptions of migrant workers

As part of this study, we interacted with some overseas Pakistani workers returning from Europe and the GCC countries who intend to go back when they get travel permission. Pakistanis residing in Europe or other developed countries do not see any major threat of losing their jobs and feel secure because of the social security system in these countries. Therefore, they do not intend to stay permanently in Pakistan. However, Pakistani workers residing in the GCC countries are worried about their job prospects. Their main apprehensions include job termination or loss, wage cuts, delayed payments, and potential indigenization policies in these countries. For example, Saudi Arabia has imposed various taxes on overseas workers, including a dependency tax of SAR400 per person and a visa renewal fee of around SAR12,000–15,000 per annum. Moreover, the country has imposed sanctions on overseas workers in various sectors—especially market-related businesses—and set a standard (minimum percentage of jobs for Saudi workers) to accommodate local workers. Many workers reported that they had not been paid for many months.

Despite all these hardships, blue-collar Pakistani workers are ready to go abroad and prepared to adjust to the new working conditions in these countries because they fear facing unemployment in Pakistan if they lose their jobs abroad. On the other hand, the relatively better-off group of overseas Pakistani workers in the GCC—for example, the business community or white-collar workers—are worried about their prospects in the region and are exploring opportunities for moving to a European country. In their opinion, Pakistan may lose its share in the GCC labor market for various reasons, including the low skill levels of Pakistani workers as compared to other competitors (the

Philippines, Bangladesh, India, and Sri Lanka) and new political alliances in the region.

Challenges and opportunities

The first challenge concerns the unexpected return-flows of migrant workers on a large scale from the GCC countries, mainly Saudi Arabia and the UAE. This has implications for all sending countries, including Pakistan, and for migrants themselves. While return migration is an integral part of contemporary labor migration systems, including the system that has functioned in the Middle East for more than four decades, workers usually return after completing an employment contract. Workers and their households plan accordingly to ensure smoother readjustment in the domestic market, generally by setting up new businesses or joining family ventures. The Covid-19-influenced and unexpected return of workers could be associated with economic hardship, particularly when migrants return home without savings. The challenge of return migration thus has two dimensions: (i) how to reduce or control return-flows of Pakistani workers, and (ii) the social and economic reintegration of workers who have returned home because they have lost their jobs abroad.

Second, the post-Covid-19 visa renewal policies of the GCC countries are complex: workers cannot go to these countries until a sponsoring company or *kafeel* formally requests the authorities for visa renewal. Recently, the UAE has issued strict travel guidelines and as a result, many workers on a visit visa have not been allowed to enter the country and been deported to India and Pakistan.

Third, in 2019, as shown in Table 5, Pakistan managed the placement of 625,000 workers primarily in the GCC countries. This momentum continued into the January–March 2020 period before the outbreak of the pandemic when 177,000 workers found jobs abroad. It is not clear when and how Pakistan will regain its share in the GCC labor markets.

Fourth, the skill composition of Pakistani workers in the GCC region has not changed over time and remains dominated by low-

skilled, low-paid workers. There could be a major change in skill requirements for expatriate workers. Will Pakistan be able to meet the skill requirements of overseas markets?

Fifth, as a corollary of the above, like Italy, Japan and the UK, other non-Middle Eastern countries may open their doors to expatriate workers. Access to these new markets will be a challenge in the context of the low skill levels of the Pakistani labor force.

Sixth, Pakistan has developed strong institutions over the years for the placement of workers abroad and the welfare of their families in Pakistan. However, it lacks organizations that can help workers in emergencies such as a global pandemic.

Seventh, the emigration of workers for temporary employment is beneficial for the country and the population because it not only absorbs young workers but is also a source of earnings and remittances and the transfer of skills when migrants return home. Two challenges are the lower participation from poorer regions and provinces such as Sindh and Balochistan and very low female participation in overseas employment.

Concluding remarks

Our preliminary findings suggest that around 0.6 million to 1.7 million Pakistani workers may return home soon, and approximately more than a million would-be emigrants may be unsuccessful in securing overseas employment in 2020–22. Depending on the global economic situation after the pandemic, particularly in the GCC region, Pakistanis will gradually find placement in overseas labor markets.

The reintegration of returning workers is a challenge for the country. Nevertheless, it could be an opportunity as well. Emigrants usually return home with some savings and new skills. Returning workers generally prefer self-employment by setting up small businesses or joining existing family enterprises. Many Pakistani workers returning home after the Covid-19 crisis—particularly those who have completed one or two contracts of overseas employment—are likely to have some savings for

readjustment into their communities of origin. Hence, return migration, if managed properly by migrant workers, their respective households and the local authorities, could be a source of promotion for small and medium enterprises in Pakistan. The government is developing a plan with the help of GIZ to facilitate and reintegrate return migrants through the provision of soft loans along with technical skills ('Govt plans soft loans', 2020).

Accordingly, we recommend that:

- A dialogue is immediately initiated with both overseas Pakistani workers and the GCC countries to reduce return migration.
- Many workers are facing visa expiry issues. This matter should be taken up with the GCC countries to facilitate such workers through the provision of certain relaxations. Some online mechanisms could be established to register complaints and resolve the grievances of overseas workers.
- The spread of Covid-19 could be controlled by early 2022. The Government of Pakistan should task the concerned institutions—for example, the BEOE—with adopting appropriate measures to promote overseas employment and regain at least the 2019 levels of migration thereafter.
- The skill level of the labor force should be enhanced to meet the requirements of local as well as international labor markets, following standard procedures.
- A reintegration policy should be introduced for return migrants to effectively utilize their savings and overseas work experience to enable reabsorption by the local labor market by, for example, giving access to the Prime Minister's Youth Entrepreneurship Program.
- Overseas migration needs to be made more inclusive by engaging workers from Sindh and Balochistan as well as enhancing the participation of female workers.

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Chapter 6

The impact of the Covid-19 crisis on migration and the Nepali economy

Mahendra Kumar Rai and Ganesh Gurung

Global context

The International Organization for Migration (2019a) estimates that there are 272 million international migrants, which is equal to 3.5 percent of the global population. The data from 2017 indicates that almost 70 percent of international migrants comprise migrant workers. About 68 percent of all migrant workers live in high-income countries, about 29 percent in middle-income countries and about 3.4 percent in low-income countries. In 2017, there were 28 million more male migrant workers than female, representing 58 percent of the total number of global migrant workers (96 million out of 164 million). These migrant workers sent home USD689 billion in remittances in 2018. In that year, India, China, Mexico, the Philippines, and Egypt were the top five remittance-receiving economies. However, in terms of remittances as a percentage of GDP, Tonga (35.2 percent), Kyrgyzstan (33.6 percent), Tajikistan (31 percent), Haiti (30.7 percent), and Nepal (28 percent) topped the list.

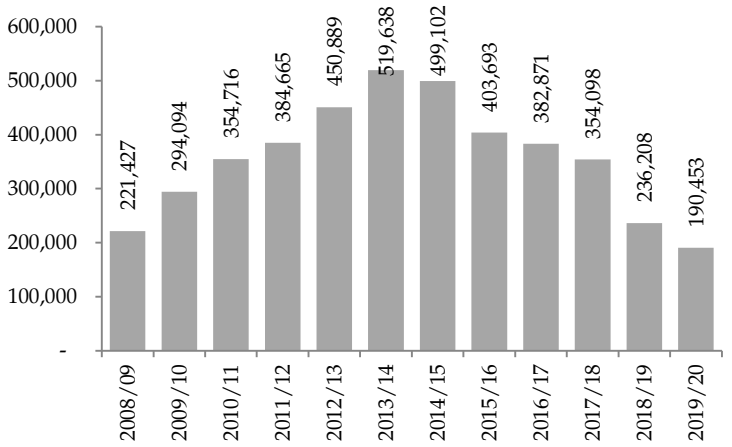
The Covid-19 crisis has hit not only the public health of the global community, but also directly affected the movement of international laborers across the world. By 7 April 2020, about 47,423 mobility restrictions had been put in place by the governments of 196 countries worldwide, directly affecting cross-border movement (International Organization for Migration,

2020). The International Labour Organization (2020) estimates that, due to lockdowns across the world, about 2.7 billion workers were affected as of 7 April 2020.

National context

Overseas labor migration has a long history in Nepal and has become an intrinsic livelihood strategy for many Nepalis (Figure 1). The Ministry of Labor, Employment and Social Security (MOLESS, 2020) shows that, as a salient feature of Nepal's socioeconomic landscape, labor migration has contributed significantly to the national economy and development apparatus. It has provided immense employment opportunities to young people in Nepal, where the demographic dividend is likely to remain for the next 40–50 years (United Nations Population Fund, 2017). Both push and pull factors are major drivers of overseas labor migration, which determines the flow as well as volume of migration.

Figure 1: Trends in overseas labor migration from Nepal in the past 12 years (outflow of workers)



Source: Ministry of Labor, Employment and Social Security (2020).

In Nepal, overseas labor migration and remittances have played a significant role in the livelihoods of many people. Job

scarcity, the lack of an environment conducive to work or entrepreneurship, and peer and family pressure are the major push factors, while better employment opportunities with wage differentials and better amenities are pull factors. The national economy depends heavily on remittances to the tune of about 28 percent of the GDP of Nepal. The outflow and volume of overseas labor migration has increased drastically from 2,159 in 1993/94 to 221,427 in 2008/09, peaking at 519,638 migrants in 2013/14 (MOLESS, 2020). According to the census of 2011, one in every four households has a family member absent due to migration (Central Bureau of Statistics, 2011). Along with the increase in outflow of Nepali youth to different countries, the volume of remittances has risen significantly from USD2.54 billion in 2010/11 to USD8.79 billion in 2018/19 (Nepal Rastra Bank, 2020a).

The inflow of remittance has not only contributed to development but also played a pivotal role in reducing the rate of poverty in Nepal. In addition, remittances have contributed to human development by increasing the household share of the budget allocated to education, health and information technology. Remittances have also helped stabilize the current balance of payments (Nepal Rastra Bank, 2020b). Overseas employment has generated greater opportunities for middle-income and low-income youth in Nepal by reducing unemployment pressure in the labor market, which sees over 500,000 new entrants annually (Nepal Rastra Bank, 2020a).

The Foreign Employment Act 2007 and Foreign Employment Policy 2012 are the basis for ensuring that overseas employment remains safe, orderly and regular in Nepal. However, these legal and policy provisions are not enough to resolve migrants' problems during a crisis such as the Covid-19 pandemic. The emergence of Covid-19 has changed the dimensions and prospects of overseas labor migration across the world; Nepal is no exception. Almost all major destination countries for Nepali migrant workers have adopted nonmedical safety measures to control the virus, such as lockdowns and the workplace closures. Restrictions on mobility have, along with such measures, badly affected economic activity and left many Nepali migrants unemployed.

The crisis has also disrupted world supply chains by suspending air, land and water transportation. Furthermore, it has drastically reduced the demand for oil globally, causing oil prices to contract, where oil is a key source of income for the main destination countries for Nepali migrant workers. The block in global supply chains, lower oil prices and restrictions on mobility have collectively reduced the flow of remittances. This, in turn, has had a negative impact on the national economy where remittances account for about a quarter of GDP and about 56 percent of households depend on remittances (Nepal Rastra Bank, 2020a).

The spread of Covid-19 has had a negative long-term impact on both prospective and current Nepali migrants. The fall in demand for labor in global markets has generated unemployment, aggravating a range of social and economic problems. Recent outflows of Nepali migrants have contracted while the number of returning migrants has risen. As of 13 October 2020, over 100,000 migrants had returned to Nepal via repatriation managed by the Government of Nepal (Covid-19 Crisis Management Center, n.d.). The continuous increase in the number of returning migrants has not only aggravated unemployment, but also directly affected the remittances inflow.

Covid-19 and overseas migration

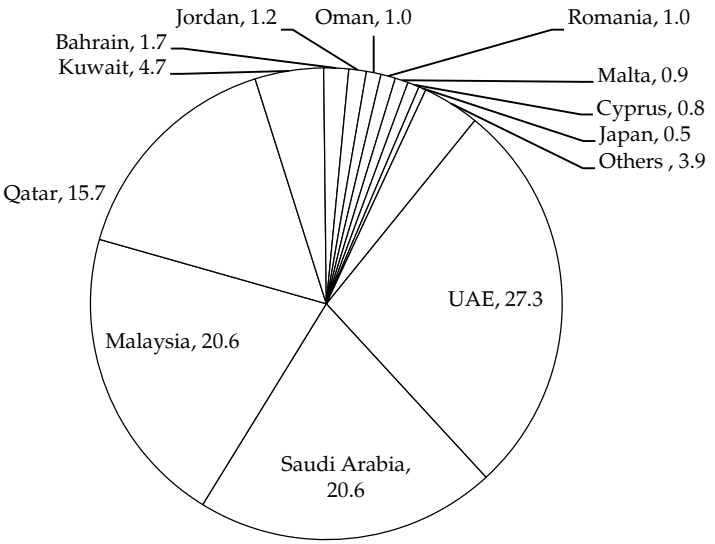
The impact of the Covid-19 crisis has been felt across the world—Nepal is no exception. The outbreak of the pandemic, announced by the World Health Organization in March 2020, halted people's mobility and created barriers to migration. Not only is mobility at risk, but it has also created further risks in turn. Most labor-absorbing countries announced a state of emergency when the pandemic struck and imposed lockdowns in their cities. Apart from mobility, the pandemic has curbed the volume of remittances. Its unprecedented impact on overseas labor migration has had an adverse effect on the livelihoods of millions of families across the world.

Nepal is connected to and integrated with the rest of the world through its overseas labor migrants, most of whom are concentrated in the Gulf countries, Malaysia, Europe, North

America and some ASEAN countries. Nearly 55 percent of Nepali migrant workers are employed in primary occupations (cleaning and laundry, packaging, loading, shipping and delivery) and in specified (5.3 percent) and unspecified (33 percent) low-paying labor, followed by 18 percent employed in services and sales (such as bakeries, coffee shops, hotels and restaurants, beauty and fitness, retail, tailoring, and security) and more than 9 percent in construction (carpentry, painting and steel fixtures, among others) (MOLESS, 2020).

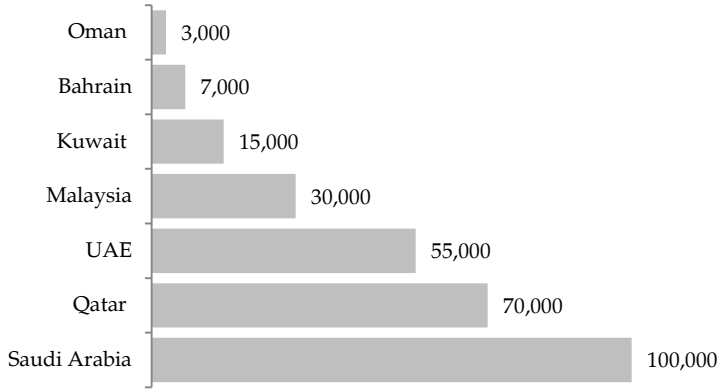
In 2019/20, the Department of Foreign Employment (n.d.) in Nepal issued labor approval for young Nepalis to work in 127 countries. The major destination countries of most poor and middle-income Nepali migrant workers are the Gulf countries and Malaysia (Figure 2).

Figure 2: Major destination countries of Nepali migrant workers (percentage), 2020



Source: Department of Foreign Employment (n.d.).

Figure 3: Number of migrant workers at risk of losing their jobs



Source: Foreign Employment Board (2020).

The Department of Foreign Employment estimates that about 85 percent migrants' primary destination countries are the UAE, Malaysia, Saudi Arabia and Qatar. A byproduct of the pandemic was the sharp fall in oil prices as well as mobility restrictions and closure of workplaces, which affected both labor-receiving and sending countries. The decline in demand for labor has affected Nepal as a labor-sending country, with an adverse impact on remittance inflows.

Similarly, according to one estimate by the Foreign Employment Board (2020), about 20 percent of Nepali migrant workers were set to lose their jobs due to the outbreak of Covid-19. The highest number of workers was expected to be from Saudi Arabia (100,000), followed by Qatar (70,000), the UAE (55,000), and Malaysia (30,000) (Figure 3). Due to better arrangements and job security for migrant workers in the UAE, the number of Nepali migrants who lost their jobs there seems relatively low.

In 2018/19, Nepal sent just over 236,000 young migrant workers overseas and received around NPR879 billion in remittances (MOLESS, 2020). This illustrates how deeply Nepal's labor migration is integrated with the rest of the world as well as its increased vulnerability to Covid-19. At the outset, the

government decided to repatriate about 25,000 Nepali migrants living in vulnerable conditions in different countries, based on its priorities.

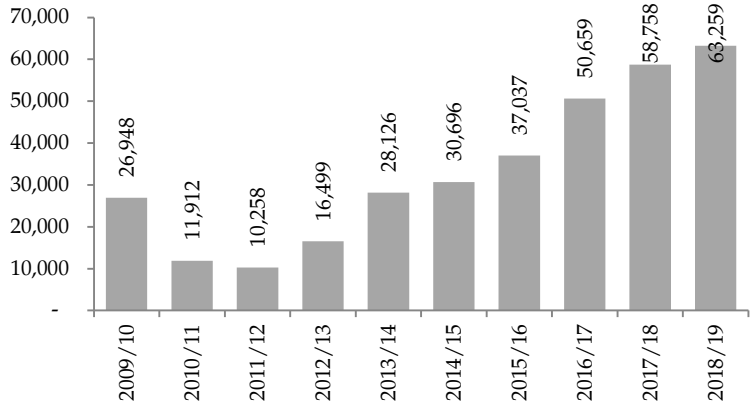
According to the Ministry of Home Affairs, about 1 million migrants returned home during the lockdown. This is likely to exacerbate the country's unemployment situation: Nepal is already unable to provide job opportunities to approximately 500,000 youth that enter the labor market annually. The pandemic has also halted the process of migration for most potential migrants.[1] An estimated 115,000 potential migrants who had final approval were unable to fly out in 2020 and another 328,681 prospective migrants who had pre-approval have also had their plans halted (Department of Foreign Employment, 2020). This is likely to have negative consequences for remittance inflows—the economic backbone of many households—in the future, in turn affecting Nepal's socioeconomic and development indicators and activities. If the share of remittances in the national GDP decreases sharply, this will directly affect the national economy. The Asian Development Bank (2020) estimates that Nepal could see its remittances contract by 28.7 percent.

Demographers estimate that about 95 percent of international mobility was affected by the pandemic. With the volume of outbound labor migration contracting due to Covid-19, Nepal is sure to face challenges in managing those workers who would otherwise have gone abroad for employment. If the number of outbound migrants decreases heavily, this could, however, serve as an opportunity for the government to channel them toward the agriculture sector instead of being forced to wait for subsequent job opportunities overseas. Keeping the youth population productively engaged, which has not happened despite the government's efforts in the past, will need all three tiers of government to coordinate effectively and implement short-term and mid-term programs to this end.

[1]This category includes potential migrants who already have a passport and final approval for departure.

However, the fear is that the government will miss the opportunity because of inaction. Similarly, the federal government should manage internal migration for a certain period to prevent virus outbreaks. Nepal should also take effective action to minimize the effects of Covid-19 by maximizing existing employment opportunities to better engage prospective migrants.

Figure 4: Student migration from Nepal, 2009/10–2018/19



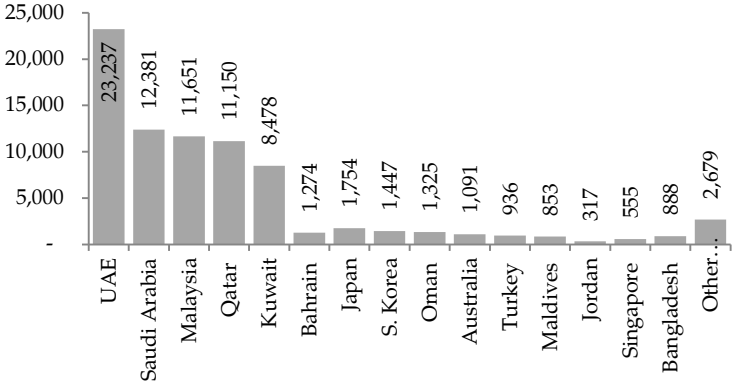
The pandemic has also affected student migration. Although student outflows rose drastically from 10,258 in 2010/11 to 63,259 in 2018/19 (Figure 4), these numbers dropped sharply after the Covid-19 crisis as the Ministry of Education stopped issuing no-objection letters to students.

The pandemic has severely affected migrants in destination countries as well, particularly undocumented domestic workers whose contractual periods had ended and those who were already trapped in exploitative situations during migration (National Human Rights Commission, 2020).

According to the Covid-19 Crisis Management Center (n.d.), a total of 80,016 migrants had returned to Nepal as of 9 October 2020, of which the majority were coming from the UAE (23,237), followed by Saudi Arabia (12,381), Malaysia (11,651), Qatar (11,150), and Kuwait (8,478) (Figure 5). The number of returning

migrants has increased over time after the lockdown in Nepal was lifted, thereby reducing remittance inflows.

Figure 5: Repatriated Nepali migrants from different countries



Source: Covid-19 Crisis Management Center (2020).

Impact of Covid-19 on remittances

Apart from affecting the economies of labor-sending and labor-receiving countries, the Covid-19 crisis has also led to an uptick in cases of human trafficking and irregular movement, with people taking advantage of the global health crisis. The huge outflow of youth from Nepal had acted as a buffer against unemployment, but once the government suspended the approval of overseas labor permits indefinitely, this changed. As a result of these restrictions on movement, the number of Nepalis seeking final labor approval (institutional and personal, new and legalized) for foreign employment decreased by 99.2 percent during mid-July to mid-August 2020 compared to the previous year, according to the Nepal Rastra Bank (2020a).

The pandemic has led to lockdowns, travel bans and social distancing, not only halting human mobility but also bringing economic activity to a near standstill. This situation has aggravated the challenges that migrant workers face, while also presenting host countries with a range of problems in sectors such as health and agriculture (World Bank, 2020b). The crisis has

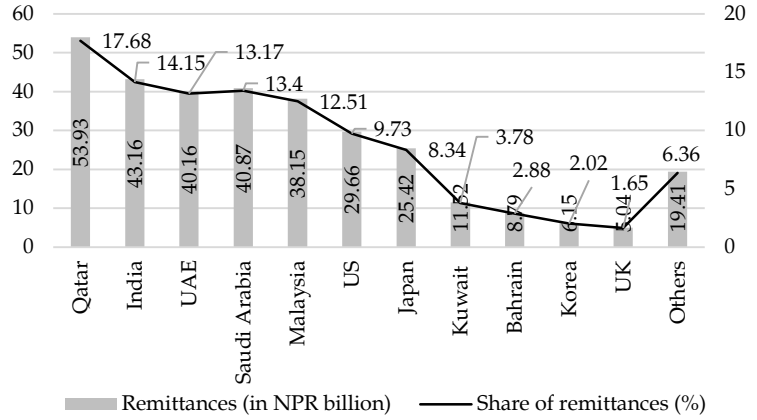
pushed already-vulnerable migrants and their families further into poverty. Many have returned to Nepal with nothing but their personal belongings and the prospect of falling further into debt and poverty. They have had to contend with discrimination during medical treatment, inadequate quarantine facilities, nonpayment of wages and wage cuts, layoffs, and the risk of being stranded in their host country. Meanwhile, prospective migrants have found themselves in a state of flux, compelled to remain in their country of origin without being involved in any economic activity. Both the formal and informal sectors in destination and origin countries have been affected by the pandemic and will take time to revive.

The World Bank (2020a) estimates that global remittances have contracted sharply. The extent of the impact of the pandemic on Nepal's economy is evident from the large share of GDP that is accounted for by remittances. In addition, Nepal lacks the health infrastructure and preparedness to cope with this crisis (United Nations Development Programme, 2020). In 2020, remittance flows to low-income and middle-income countries were expected to drop by around 20 percent, to USD445 billion from USD554 billion in 2019 (World Bank, 2020a). Furthermore, foreign direct investment was expected to decline by even more due to travel bans, disruptions to international trade and the wealth effect of declining stock prices of multinational companies of 35 percent or more. However, the Nepal Rastra Bank (2020b) has estimated that remittance inflows could drop by about 15 percent.

Nepal received NPR879 billion in remittances 2018, equivalent to about 25.4 percent of the country's GDP (International Organization for Migration, 2019b). About 30 percent of households use their remittances for household consumption, 29 percent for loan repayment, 24 percent for asset acquisition, 9 percent for savings, 7 percent for education, and only 1 percent for business (International Labour Organization, 2016). This implies that the reduction in volume of remittances has led to a decrease in economic activity in Nepal.

Data from the Nepal Rastra Bank (2020a) shows that remittance inflows rose in the first month of 2020 by 23 percent to NPR92.71 billion. This could be explained by curbs on informal trade, including gold purchase, and remittances being sent through formal instead of informal channels such as hundi. However, the volume of remittances decreased significantly due to the Covid-19 crisis, although if remittance inflows through informal channels cease, then the possibility of increasing remittance inflows remains. Restrictions and lockdowns may also have prompted migrant workers to send money through banking channels.

Figure 6: Remittance inflows from different countries, 2019/20 (first four months)



Source: Nepal Rastra Bank (2020a).

In 2019/20, the highest share of remittances was from Qatar (17.68 percent), followed by India (14.15 percent), the UAE (13.17 percent), Saudi Arabia (13.4 percent), and Malaysia (12.51 percent) (Figure 6). Similarly, the volume of remittances during this period was highest from Qatar (NPR53.93 billion), followed by India (NPR43.16 billion), the UAE (NPR40.16 billion), and Saudi Arabia (NPR40.87 billion).

Impact of the Covid-19 pandemic on sectors other than remittances in Nepal

Nepal's low-income status and high dependency on imports of food and other commodities as well as on the export of labor and remittance inflows mean that it has been particularly hard hit by the pandemic (World Food Programme, 2020b). This has given rise to multiple economic burdens. The nationwide lockdown imposed on 24 March 2020 and periodic extensions restricted people's mobility within and outside the country. Consequent restrictions on the movement of labor overseas compounded the pressure on the labor market through the addition of young entrants seeking jobs. According to the Nepal Labor Force Survey for 2017/18, the proportion of unemployed was 11.4 percent, which increased as markets closed and as the number of returning migrants rose, following the lockdown in 2020 (Central Bureau of Statistics, 2019).

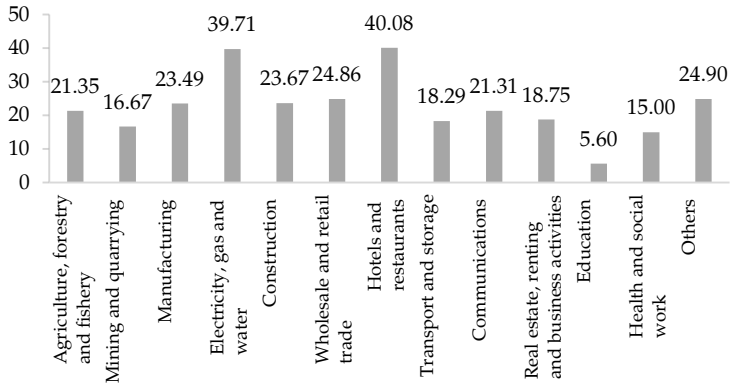
On 12 March 2020, the Government of Nepal stopped issuing labor permits, suspending international flights on 22 March. Long-distance bus services were also suspended, while China and India closed their borders on 23 March. As a result, a large majority of people involved in the informal sector—62 percent of the labor force or 4.4 million people—found themselves in dire straits. Another 59 percent of workers engaged in micro-enterprises were also badly affected (Central Bureau of Statistics, 2019). About 20 percent of Nepal's labor force is employed in agriculture—the largest employing sector. The trade sector has the second-largest share of employment (17.5 percent), followed by construction (13.8 percent). The informal sector accounts for 62.2 percent of the employed labor force. Close to a quarter of all employed people (23.8 percent) are employed in services and sales, followed by elementary occupations at just over 20 percent.

There are many factors that account for the decreasing share of the labor force in agriculture in Nepal: farming still relies primarily on manual labor and rainfall. The lack of modernized farming methods and difficulties in irrigation and transport mean that Nepal does not have the capacity to support its population at

current food production levels. While the pandemic has affected all economic sectors, the effect on agriculture has been less pronounced although delays in the supply of fertilizer have had a negative impact on crop production.

A study conducted by the United Nations Development Programme (2020) reveals that Nepal has seen up to a 95 percent decline in average monthly revenues and that the absence of external support measures will affect many sectors badly—including tourism, infrastructure and manufacturing—if lockdown measures are extended. Most workers in Nepal also faced pay cuts, while tens of thousands of others in the informal sector remain unaccounted for in terms of the impact of the pandemic. The hardest hit sector was hotels and restaurants, followed by electricity, gas and water, wholesale and retail trade, and construction. The percentage of workers laid off during the pandemic was highest in hotels and restaurants (40.08 percent), followed by electricity, gas and water (39.71 percent), wholesale and retail trade (24.86 percent), and construction (23.67 percent) (Figure 7).

Figure 7: Worker layoffs in different sectors (percentage)

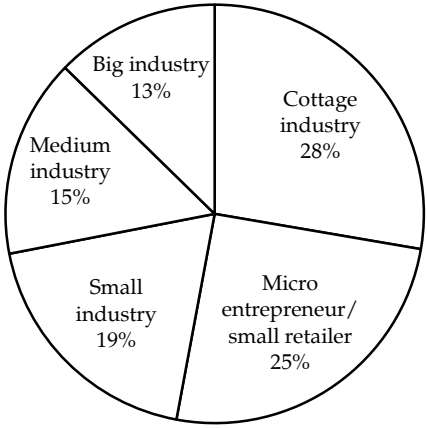


Source: Nepal Rastra Bank (2020b).

The proportion of workers laid off during the pandemic in the cottage industry was 30.52 percent, followed by micro-

entrepreneurs and small retailers (27.80 percent), small industry (21 percent), and medium industry (16.93 percent) (Figure 8).

Figure 8: Worker layoffs, by type of industry

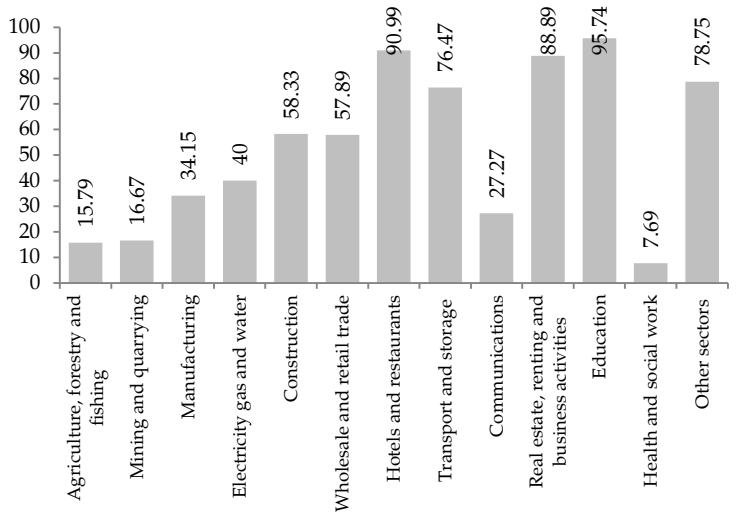


Source: Nepal Rastra Bank (2020b).

According to the Nepal Rastra Bank (2020b), it will take 13 months for pandemic-affected hotels and restaurants to revive. About 82.3 percent of industry and businesses were expected to return to their previous condition, but many have had to liquidate their assets eventually. During the lockdown, only 4 percent of industries were operational, 35 percent were operating partially and 61 percent were closed. Of the total proportion of workers employed in industries in Nepal, 22.5 percent were laid off due to lockdowns or compelled to work on a temporary or contract basis. About 74 percent of production and transactions were affected, which is supported by the fact that electricity consumption fell by 84 percent.

As Figure 9 shows, education and hotels and restaurants were badly affected by the pandemic: 96 percent of educational institutions and 91 percent of all hotels and restaurants were not operating during the lockdown period, followed by real estate, rentals and business activities, and transport and storage (89 percent and 76 percent, respectively).

Figure 9: Industries not operating during lockdowns in Nepal in 2020 (percentage)



Source: Nepal Rastra Bank (2020b).

Conclusion

Overseas labor migration remains a salient aspect of Nepal's socioeconomic landscape. Remittances, especially social and financial remittances, have contributed positively to the country's economy and national development, accounting for a quarter of national GDP and supporting development activities in general. The outbreak of Covid-19 has had a severe impact on the global economy, reducing the demand for labor in major economic areas and hindering migrants' mobility. The consequent drop in oil prices and closure of workplaces in the major destination countries have compounded the problems faced by current and prospective Nepali migrant workers, ranging from layoffs, shorter working hours and leave without pay to deportation. Furthermore, the no-work-no-pay policy has also affected migrant workers badly.

This reduction in the global demand for labor has also caused remittances to contract, compounded by the pressure of

unemployment in Nepal. The crisis has not only affected overseas labor migration but also student migration. Economic disruptions to global value chains and restrictions on global travel and trade have had a serious effect on Nepal's economy and livelihoods.

Of the 110 countries open to young Nepali migrant workers for overseas employment, five—Malaysia, Qatar, Saudi Arabia, the UAE, and Kuwait—are major destination countries where the demand for labor has decreased drastically due to the pandemic. Meanwhile, the number of repatriated Nepali migrant workers has increased over time. Stranded and returning migrants will add further pressure to the job market in Nepal; this requires an immediate strategic instrument to stimulate the economy by creating jobs or self-employment at the local level. In this situation, the Nepal government should focus on making overseas employment safe and dignified to allow the maximum number of migrant workers to benefit. Furthermore, the government needs to map the skills and qualifications of returning migrants and prioritize their engagement in relevant fields. The industrial and services sectors in particular need a boost through subsidies to revive and accelerate growth.

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Chapter 7

The Covid-19 pandemic's implications for Sri Lankan worker migration and remittances

Bilesha Weeraratne

Background

The spread of the Covid-19 pandemic in 2020 directly and indirectly affected the entire world, ranging from world leaders to ordinary citizens and migrants across countries. Economies struggled with lockdowns and recovery from Covid-19-related recessions. Migrant workers were concerned about their health and employment and tried to weather the storm by navigating in and around host countries. The pandemic left large numbers of migrant workers of Sri Lankan origin worried about their jobs—left unemployed in destination countries, unable to leave Sri Lanka for work, or forced to return home earlier than planned. Prior to the pandemic, migrant workers contributed significantly to the Sri Lankan economy. Remittances were the single largest foreign exchange earner, accounting for around 8 percent of GDP, propping up household income and easing pressure on the domestic labor market. Early estimates indicated that the pandemic would result in a 19 percent decline in remittances to Sri Lanka in 2020, followed by subdued remittances in 2021 (Global Knowledge Partnership on Migration and Development, 2020).

This chapter analyzes the pandemic's implications for migrant workers, their families and other stakeholders, with a view to identifying areas on which to focus to help improve their

socioeconomic wellbeing during the pandemic and beyond. The following section outlines the pre-Covid-19 situation of labor migration from Sri Lanka, focusing on migrant workers, their households and their remittances. The third section analyzes the pandemic's implications for migrant workers at three stages of the migration process, their households and remittances. The chapter concludes with a summary of key findings, followed by recommendations to improve the plight of migrant workers and their families.

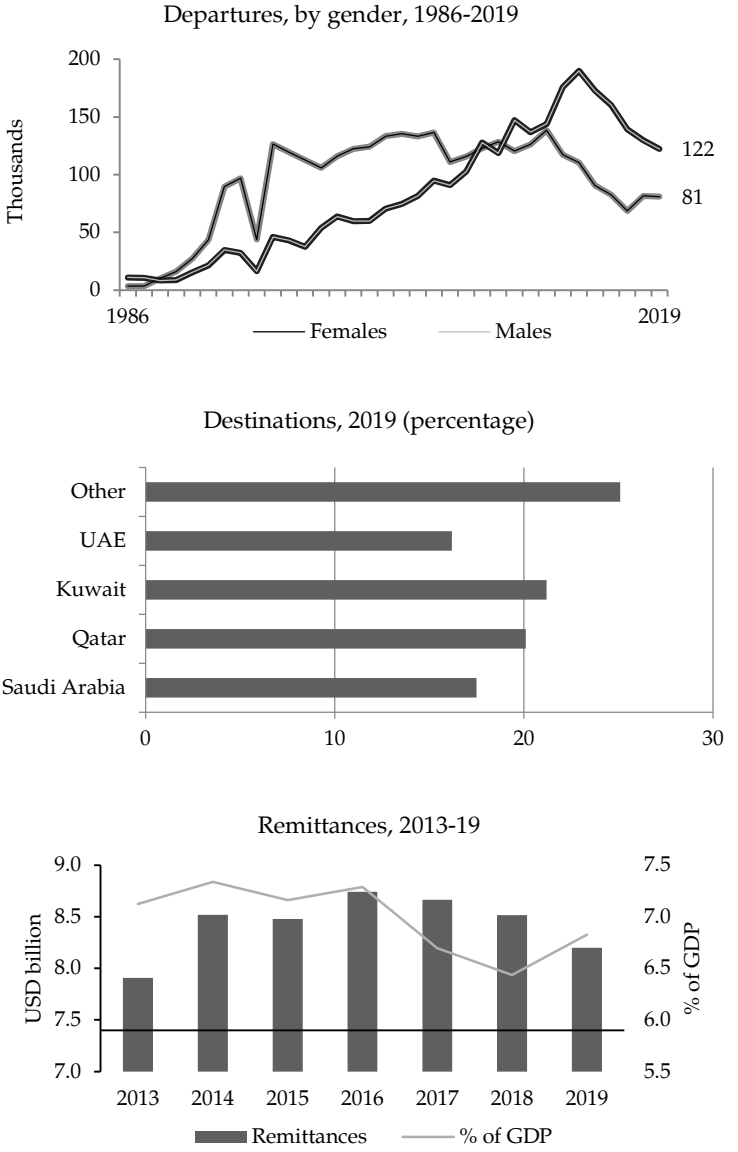
Pre-Covid-19 context

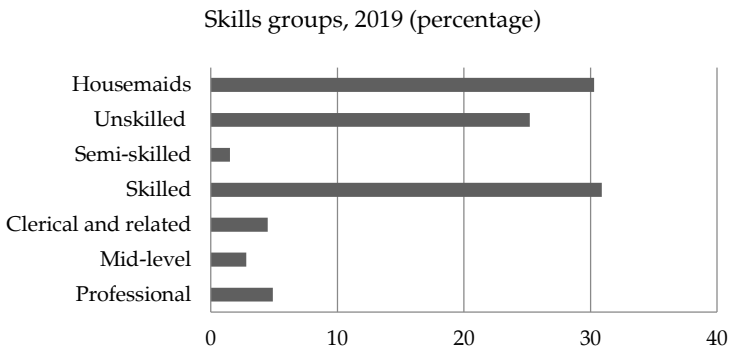
Remittances and migration

Labor migration from Sri Lanka and related remittances were vibrant but declined during the five years prior to the onset of Covid-19. A total of 203,186 migrant workers left the country for foreign employment in 2019—a 4 percent decrease from 2018 and a 23 percent decrease from 2015. This decline in departures is attributed to restrictive policies discouraging female labor migration and improved opportunities in the domestic labor market (Central Bank of Sri Lanka [CBSL], 2019).

As seen in the first panel in Figure 1, female departures from Sri Lanka have been lower than those of males since the 2013 introduction of the family background report requirement, a policy aimed at limiting female migrant departure (Weeraratne, 2018). Sixty percent of all departures in 2019 were those of males.

Figure 1: Migration and remittances





Source: Author's illustration, based on data from SLBFE annual statistical reports and CBSL annual report.

The decline may also be attributed to how the Sri Lanka Bureau of Foreign Employment (SLBFE) captures data rather than an actual decline in departures—there is a growing share of migrant workers, especially high-skilled workers, that does not fall under the SLBFE's purview (Weeraratne, 2020a). Moreover, the overall decline in departures is also caused by geopolitical developments in Middle East economies which traditionally account for the bulk of migrant workers from Sri Lanka (CBSL, 2019). This region accounted for around 85 percent of total departures in 2019—Kuwait, Qatar and Saudi Arabia were the top three destinations.

The Middle East's geopolitical context also influenced remittances to Sri Lanka (CBSL, 2019), which, on average, stood at USD7 billion and accounted for 8 percent of GDP during the five years prior to the pandemic. Total remittances were USD6.7 billion in 2019, which accounted for 8 percent of GDP. Other key contributors to remittances are the skills characteristics of migrant workers and their related income-earning capacity and remitting patterns. As seen in the bottom-right panel in Figure 1, housemaids and unskilled workers accounted for over 55 percent of total departures in 2019. Lower-skilled workers tend to earn lower wages, resulting in a ceiling on their remittances to Sri Lanka.

As shown in Table 1, female domestic workers from a sample of 650 migrant workers received the lowest average monthly wages (LKR47,387) in 2018—they are considered the lowest skilled of female migrant workers from Sri Lanka. Similarly, laborers are usually unskilled male workers whose wages are marginally higher (by approximately LKR1,500) than those of female domestic workers.

This LKR1,500 difference may be due simply to the gender wage gap. Drivers' average monthly wage of LKR69,403 was around 30 percent higher than female domestic workers' or laborers' wages. In contrast, the average salary of other occupations was LKR105,493.2—substantially higher than the lower-skilled occupation groups discussed above. This shows that Sri Lanka's heavy reliance (55 percent) on the lowest-skilled migrant workers and their lower earning capacity has implications in terms of remittances.

Table 1: Migrant workers' monthly wages and remittances

Occupation	*No. of observations*	*Average wages (LKR)*	*Average remittances (LKR)*	*Remittances as % of wages*
Female domestic workers	170	47,386.54	36,616.03	77
Laborers	111	48,955.12	34,871.39	71
Drivers	106	69,403.21	50,015.77	72
Other occupations	263	105,493.2	61,797.75	59

Source: Author's calculations based on microdata collected by the International Labour Organization (2020a).

The absolute value of monthly remittances for female domestic workers and laborers is amongst the lowest. The highest average monthly remittance of LKR61,798 was reported for occupations other than female domestic workers, laborers and drivers. Nevertheless, it is noteworthy that when monthly remittances are considered as a share of wages from the main occupation, female domestic workers remit the highest share of 77 percent of their wages to Sri Lanka. The corresponding share for male-dominated, low-skilled occupations, namely laborers and

drivers, is in the range of 71–72 percent of monthly wages. The lowest shares are remitted by those in other occupations.

This leads to two key findings. First, women remit a relatively larger share of their wages to Sri Lanka compared to men. Second, lower-skilled workers (regardless of gender) remit a relatively higher proportion of their income to families compared to more skilled workers. It is important to note that despite policy efforts in Sri Lanka to discourage women and lower-skilled workers from seeking employment outside the country, they constitute a significant segment of total labor migrants in terms of remittances.

Migrant households

In 2016, a member in every 14th Sri Lankan household worked abroad, while every 11th one received remittances. Remittance figures and households' reliance on them vary. National-level data showed that average monthly remittances in 2016 were LKR22,319, but over half of remittance-receiving households received less than LKR15,000 per month (Table 2). Of all remittance-receiving households, 75 percent received less than LKR30,000 per month, while just 10 percent received a monthly remittance exceeding LKR90,000. At the same time, nearly 19 percent of remittance-receiving households depended solely on remittances.

Households receiving other income and remittances depended on the latter for, on average, 48 percent of their monthly income. Remittances accounted for over 85 percent of income in a quarter of such households. Even though the absolute values of remittances and other income have changed from the aforementioned 2016 figures, the relative importance of remittances in supplementing household income and the share of remittance-receiving households in the population are nearly constant. As such, it is assumed that prior to the pandemic in 2020, every fifth remittance-receiving households relied entirely on remittances, while every fourth household with other income sources still counted on remittances for over 85 percent of their income.

Table 2: Distribution of monthly remittances across remittance-receiving households in Sri Lanka, 2016

	Remittances (LKR)	*Income, including remittances (LKR)*	*Remittances as a share of income (%)*
Mean	22,319.41	70,192	48
Standard deviation	32,830.88	234,038	36
25th percentile	4,167	24,267	13
50th percentile	15,000	40,417	40
75th percentile	30,000	70,000	86
90th percentile	50,000	126,250	100

Source: Author's calculations based on household income and expenditure 2016 microdata collected by the Sri Lankan Department of Census and Statistics.

Confirming household-level disparities in remittances, the International Labour Organization (ILO) found that 60 percent of households—out of a sample of 602—had an average monthly income of less than LKR20,000 (excluding remittances). Eighty percent of the sample had an income of less than LKR30,000 and less than 2 percent received a monthly income exceeding LKR60,000. Only by supplementing their nonremittance income with remittance income were these families able to ensure a decent living. Moreover, remittances accounted for all or most day-to-day expenses in 60 percent of the sampled households. By 2018, the average amount of monthly remittances to a household in Sri Lanka was LKR40,000 (ILO, 2020a).

Sri Lanka's remittance-receiving households are commonly characterized by poor remittance management and high levels of indebtedness. Both Weeraratne (2019) and the ILO (2020a) note that remittance-receiving households have poor financial management and spend a considerable portion of remittance income on loan repayment. In some cases, this indebtedness is a result of financing labor migration. Weeraratne, Wijayasiri and Jayaratne (2018) show that Sri Lankan migrant workers to South Korea borrow money from commercial banks for two years at a 10 percent annual interest. Similarly, migrant workers to Malaysia borrow from private financial institutions at 18 percent per annum with a payback period of 18 months. This means that a

regular stream of remittances is critical for most remittance-receiving households to maintain ordinary consumption and meet debt obligations.

Migrant workers during the pandemic

The spread of the pandemic impacted migrant workers during all stages of labor migration—pre-departure, service in destination country and return migration. Their families and other stakeholders also felt the implications of the pandemic.

Outward labor migration from Sri Lanka took place as normal before the pandemic. However, on 14 March 2020, migrant workers registered with the SLBFE were banned from leaving the country. Travel restrictions and limited airline operations also made it difficult for non-SLBFE registered workers to leave. At the same time, dismal economic prospects in the Middle East, drops in crude oil prices and related economic uncertainty in the region depressed new job orders for Sri Lankan migrant workers; those with jobs lined up reconsidered their risk. The combination of these factors led to a 68 percent year-on-year (YOY) decline in migrant labor departures from Sri Lanka during March–August 2020 (Table 3).

In addition, a significant number of migrant workers returned to Sri Lanka due to layoffs, wage cuts, and increasing concerns about their health. Migrant workers were able to return home on their own during the first few weeks of March 2020 when airports in Sri Lanka were still open for inward travel, although accurate numbers are unavailable. Airports were then closed to incoming flights, and subsequent migrant returns—19 March to mid-October 2020 (time of writing)—took place via repatriation missions conducted by the government of Sri Lanka.

Table 3: Monthly departure statistics, 2019–20

Month	*2019*	*2020*
January	31,593	34,053
February		
March	16,171	6,031
April	14,400	99
May	17,816	218
June	15,027	633
July	19,037	1,008
August	18,905	362
Jan–Aug departures	132,949	42,404

Source: SLBFE, 2020.

About 74 percent of 52,400 overseas Sri Lankans registered for repatriation were migrant workers in mid-June 2020. The first repatriation mission of migrant workers took place on 7 May from Dubai, UAE. Approximately 12,000 migrant workers had been repatriated from 14 destination countries by the end of September, still leaving over 45,000 (SLBFE, 2020).

Repatriation missions are a function of many variables, including quarantine facility capacity in Sri Lanka and the vulnerability of migrant workers abroad. For instance, available places in quarantine facilities were allocated to citizens already in Sri Lanka when the number of Covid-19 patients increased. This, in turn, delayed the repatriation of migrant workers. In addition, migrant worker repatriation was halted at the end of May 2020 due to increases in Covid-19 cases among Kuwaiti Amnesty returnees to Sri Lanka.

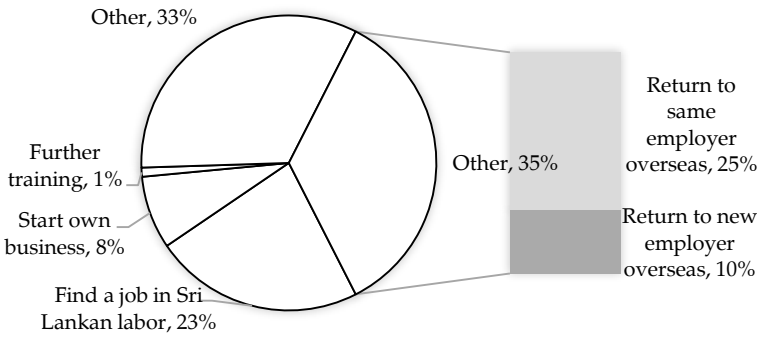
Similarly, the repatriation of migrant workers was temporarily halted due to a sudden rise in the number of Covid-19 patients and a corresponding increase in those under quarantine in Sri Lanka in October 2020. Moreover, migrant workers from the Maldives were prioritized for repatriation when the Greater Malé area was considered a high-risk area (Ministry of Foreign Relations, 2020c).

In addition to the high uncertainty involved in these repatriation mission-led returns to Sri Lanka, migrant workers

also had to bear the cost of special or charter flights, pre-departure Covid-19 PCR testing, and in some cases, paid quarantine. The cost of air travel during the pandemic was high as airports did not operate as usual and airplanes had to carry fuel, food, and supplies for the round trip from Sri Lanka. Moreover, the absence of service contracts between airlines and suppliers at certain airports—landing, parking, ground handling—resulted in extra expenses at uncontracted rates. In addition, social distancing required that repatriation missions run at 50 percent capacity, thereby increasing costs ('Did SL Airlines Charge an Excessive Sum', 2020). Finally, paid quarantine facilities began at LKR7,500 per day per person for shared occupancy in a double room. This translated into about a month's wages for the average migrant worker for a minimum 14-day quarantine.

A survey of 4,274 repatriated migrant workers conducted by the SLBFE in 2020 showed that 35 percent planned to return to foreign employment—25 percent wished to return to the same employer and 10 percent to new employers overseas. Rather than returning overseas, 23 percent of returnees planned to work in Sri Lanka, while 8 percent were interested in starting their own businesses (Figure 2).

Figure 2: Expectations of repatriated migrant workers, September 2020



Source: SLBFE (2020).

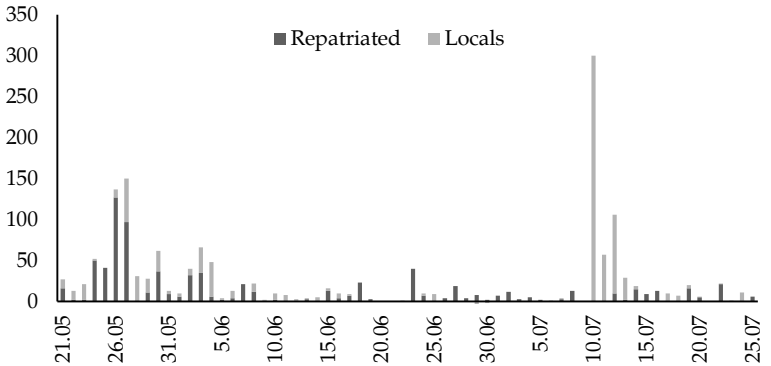
These two groups, returning migrant workers with plans to work in Sri Lanka and almost 100,000 potential migrant workers

deterred[1] from labor migration, add to growing unemployment figures in Sri Lanka's weak labor market. This is an example of the literature highlighting how the influx of returning workers threatens to overwhelm dwindling job markets in countries of origin (Banerji, Devasia & Sharma, 2020).

The labor market's struggle in Sri Lanka is also reflected by the decline in online job postings—27 percent in March and 70 percent in April 2020 (Hayashi & Matsuda, 2020). At the same time, the households of such migrant workers are affected. The literature often berates migrant families for spending remittances on conspicuous consumption and failing to meet the migration goals of saving and investment (Withers, 2019), but if the migrant is laid off or returned, such families will find it difficult to make ends meet.

A large proportion of Covid-19 patients in Sri Lanka is associated with returning migrant workers (since repatriation missions began), and the Sri Lankan government is bearing considerable cost and responsibility given that treatment is free through the public healthcare system. This was aptly reflected in the sudden increase in the number of active Covid-19 patients in Sri Lanka with the repatriation of Kuwaiti Amnesty returnees.

Figure 3: Distribution of Covid-19 patients, May–July 2020



Source: Author's illustration based on data from Ada Derana First at 9 news telecast in May/July 2020.

[1]Assuming potential departures were the same as in the corresponding period in 2019, we take the difference between actual and potential departures to arrive at this estimate.

As shown in Figure 3, those returning to Sri Lanka were significant among identified Covid-19 patients during May–July 2020. In some weeks, those returning from the Middle East (who were highly likely to be migrant workers) accounted for a large share of patients. For example, 68 percent of patients in Sri Lanka were returnees from Kuwait, Qatar, and the UAE in the fourth week of May, while in the fourth week of June, returnees from Qatar, Saudi Arabia, and the UAE accounted for 64 percent of new patients.[2] Sadly, caring for Covid-19 patients among returning migrant workers has become the disproportionate responsibility of countries of origin, including Sri Lanka (Weeraratne, 2020a; 2020b; 2020c).

In addition to returned and deterred migrant workers, the pandemic also affected Sri Lankan migrant workers abroad. Data from such migrant workers indicated that among a sample of 56 high-skilled Sri Lankan-origin migrants in the Middle East, 56 percent remitted money to Sri Lanka every month under normal circumstances, and 68 percent remitted over LKR100,000 per month.[3] However, by April 2020, 36 percent indicated they were experiencing difficulties in remitting money to Sri Lanka. Another 50 percent were of the view that they were likely to experience challenges in remitting soon due to the pandemic. In terms of adverse employment outcomes, 23 percent had already experienced layoffs, 29 percent had experienced wage cuts, and 14 percent had experienced delayed wages. Additionally, about 33–50 percent of this sample feared future job losses, wage cuts, and wage delays.

Conversely, a sample of 147 Sri Lankan-origin migrants in Western countries spoke of less acute implications of the pandemic—16 percent experienced layoffs, 15 percent experienced wage cuts, and 5 percent experienced wage delays. Approximately half believed they were unlikely to experience wage cuts due to Covid-19, 55 percent thought they would not lose their jobs, and 72 percent thought wage delays were unlikely.

[2]Author's calculations from figures on Ada Derana News (21 May–25 July 2020).

[3]A rapid online survey was conducted in April 2020 to collect information on the experiences of such migrants. For details, see Weeraratne (2020b).

These numbers confirm the greater stability of employment-related outcomes in Western countries.

Similarly, 66 percent in the sample believed they were unlikely to experience difficulties in remitting money to Sri Lanka. However, this sample of Sri Lankan workers displayed less frequent and less regular remitting habits—despite employment stability and capacity to remit. In this sample, 34 percent remitted monthly, while 20 percent remitted annually (Table 4).

Table 4: Findings from Sri Lankan migrants during the pandemic

	Middle East countries	*Western countries*
Frequency of remitting	%	%
Monthly	55	34
Every 2 months	12	9
Every 3 months	11	9
Every 4–6 months	7	15
Every 7–11 months	2	1
Annually	11	20
Never	2	12
Job loss		
Already	23	16
Likely	66	29
Unlikely	11	55
Delayed wages		
Already	14	5
Likely	52	24
Unlikely	34	72
Wage cuts		
Already	29	15
Likely	63	35
Unlikely	9	50
Difficulty in remitting		
Already	36	9
Likely	52	24
Unlikely	14	66

Source: Author's tabulations based on Weeraratne (2020b)

Most of the Covid-19 issues faced by migrant workers abroad are an explosion of pre-existing problems in terms of low assimilation, low employment protection, and poor working conditions (Weeraratne, 2020a; 2020c). Other issues include the temporary closure of Sri Lankan embassies, which limited their ability to serve migrant workers. For instance, the Sri Lankan Embassy in Abu Dhabi was closed during 20–28 May 2020, while the ones in Kuwait and Qatar were closed in September 2020 due to staff (Covid-19) illnesses (Embassy of Sri Lanka, United Arab Emirates, 2020). Moreover, coinciding with the pandemic, nearly 150 labor and welfare officials in Sri Lankan diplomatic missions in 14 countries were recalled (for unrelated cost-cutting reasons) (Kamalendran, 2020). The withdrawal of dedicated staff trained in addressing migrant workers' needs in destination countries added to the latter's problems. The disruption of regular operations led to delays at embassies, subsequently challenging migrant workers in many aspects. For example, a white-collar Sri Lankan worker in Abu Dhabi experienced over a month's delay in renewing his passport, which was required for his employment visa and job.

While certain migrant worker services in destination countries were disrupted, new services emerged during the pandemic. Specifically, a unique opportunity was given to Sri Lankan recruitment agents to collaborate with overseas recruitment agents to identify and recruit laid-off migrant workers while they were still in destination countries—under the auspices of the SLBFE. This allowed migrant workers in destination countries to find new employment at a relatively lower cost without having to return to Sri Lanka. Similarly, many potential migrant workers' departure was facilitated by the SLBFE, while diplomatic missions worked with the Department of Immigration and Emigration in Sri Lanka to repatriate undocumented Sri Lankan-origin migrant workers in Kuwait and Italy (Ministry of Foreign Relations, 2020a, 2020b).

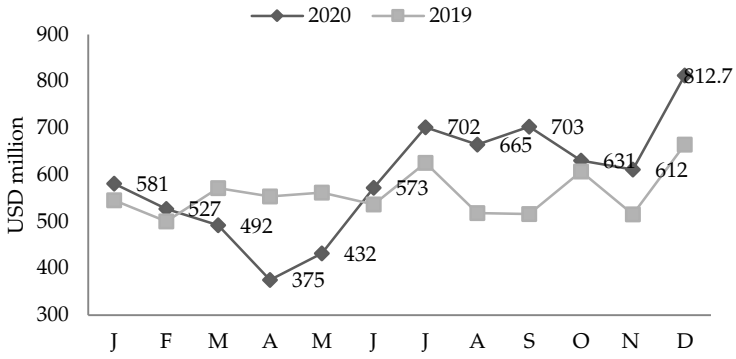
The pandemic, remittances and households

The impact of the pandemic on migrant workers has been channeled to their households in Sri Lanka through remittances. Remittances to Sri Lanka stood at USD527 million in February 2019, which was 5 percent more on a YOY basis relative to the previous 12-month period, although there had been a month-on-month (MOM) decline relative to previous months.

The gradual decline in the stock and flow of Sri Lankan-origin migrant workers in the rest of the world and early issues faced by those remaining in destination countries translated into a decline in remittances to Sri Lanka during the pandemic's early months. For instance, a rapid online survey (Weeraratne, 2020b) showed that migrant workers in the Middle East were unable to remit money due to issues in accessing remittance service providers or not receiving wages on time. As such, remittances to Sri Lanka dropped well below 2019 figures by 14 percent YOY. By April 2020, most major labor migration destinations for Sri Lankan workers were locked down, creating remittance accessibility issues.

In addition, the wave of layoffs had started hitting migrant workers by April 2020 (International Monetary Fund, 2020), where nationalization policies in the Middle East left them highly vulnerable. As a result, remittances to Sri Lanka decreased by 32 percent YOY in April 2020 (see Figure 4). This drastic decline correlated with the severe lockdown period experienced in Sri Lanka where many workers in the formal and informal labor markets experienced difficulties. A combination of issues in the domestic economy and the decline in remittances resulted in a dire period for remittance-receiving households. This was felt most acutely by the 19 percent of remittance-receiving households that did not receive any other income. For such households, a decline in remittances could easily translate into decreased consumption and wellbeing, as well as an increased likelihood of falling into poverty.

Figure 4: Monthly worker remittances to Sri Lanka, 2019 and 2020



Source: https://www.cbsl.gov.lk/en/statistics/statistical-tables/external-sector

A relief measure was offered to low-income households during this early period of the pandemic, where two cash transfers of LKR5,000 each were made during April–June 2020. However, these transfers were provided to those already eligible for state-funded social protection schemes—households with migrant workers abroad do not generally qualify for such schemes. As such, low-income households with remittances as their only source of income were formally excluded from these pandemic-related social protection measures in Sri Lanka.

By the end of April 2020, the projected 19 percent decline in remittances to Sri Lanka (Global Knowledge Partnership on Migration and Development, 2020) translated into a projected monthly remittance of around USD433 million for the rest of the year. Confirming these projections, Sri Lanka received USD432 million in May 2020, which was a 15 percent increase MOM, but a 23 percent decline YOY. However, after May 2020, remittances to Sri Lanka experienced an unexpected growth of 7 percent on a YOY basis and an impressive 33 percent on an MOM basis. This growth momentum continued into June, recording the highest MOM increase for 2020—before and during the pandemic. The CBSL attributed the June 2020 increase in remittances 'to festival allowances received by the migrant workers in the Middle East'

(Department of Foreign Exchange, 2020b). Maintaining this growth momentum well into July, remittances increased by 23 and 12 percent MOM and YOY, respectively, followed by a 5 percent MOM decline and a 28 percent YOY increase in August 2020.

At the household level, these improved remittances in May–August may deliver a false promise of stability to migrant workers' households while the real threat of unsustainable jobs held by family members abroad remains. Growing nationalization sentiments in the Middle East and the contracting global economy are limiting Sri Lankan migrant workers' employment opportunities. Unemployment, wage cuts, and possible returns from destination countries are imminent. In this scenario, migrant and remittance-receiving households are not likely to have backup plans for adjusting to discontinued remittance streams.

In addition to remittances received by households, labor migration also contributes to the economy by bringing in foreign exchange through the recruitment industry and by providing direct and indirect employment. Specifically, under employer-contributed recruitment modalities, the employer in the destination country remits an upfront fee to cover recruitment expenses in Sri Lanka. This fee varies by destination country, occupation, and employer. For instance, the upfront recruitment cost for a female domestic worker to the Middle East ranges from USD1,500 to USD3,000 (ILO, 2020b). A total of 80,985 female domestic workers took up foreign employment in 2019, and 80 percent headed to Bahrain, Kuwait, Oman, Saudi Arabia, and the UAE. Assuming at least half of those headed to the Middle East were first-time migrants, the assumed 32,256 departures would have brought Sri Lanka a significant volume of foreign exchange as recruitment fees, if not for the pandemic. As a result, recruitment agents experienced sustainability issues (Expert Committee, 2020a). In addition to the foreign exchange attracted as recruitment costs and incentives, the industry also, directly and indirectly, employed a large number of stakeholders. For instance, the Association of Licensed Foreign Employment Agencies (2020) noted that the pandemic had affected close to 100,000 workers

directly and indirectly employed by foreign employment agents in Sri Lanka.

Alternative reasons for the performance of remittances

The quick rebounding of remittances amidst declining departures, increasing returns, and growing migrant worker layoffs and wage cuts, is explained by various hypotheses. One theory is that the backed-up remittances of those unable to remit during the pandemic's early months caught up with their arrears, which led to an increase in remittances in subsequent months. There is some preliminary evidence to support this hypothesis in Sri Lanka's case. As already stated, a rapid online survey (Weeraratne, 2020b) indicated that migrant workers in the Middle East faced issues in remitting money to Sri Lanka. This was due mainly to an excessive reliance on traditional remittance methods—using a physical remittance service provider—which could not be used during lockdowns in March–April 2020. Thus, remittances to Sri Lanka began flowing again when lockdowns eased and as economies began adapting to the 'new normal'.

At the same time, the closure of business establishments during the pandemic gradually prompted migrant workers to start using online and digital remittance methods. Sensing this transition to online methods, one commercial bank was able to increase its market share in remittances in Sri Lanka via preemptive investments in financial technology (fintech). These investments allowed it to provide rapid service through mobile applications and online technology for remittance transactions during the period of restricted access to remittance service providers (Expert Committee, 2020b). Thus, the increase in remittances to Sri Lanka since April 2020 can be partly explained by this backed-up remittance hypothesis.

A second possible hypothesis is a shift from informal to formal channels of remitting. Informal channels are operated mainly by unauthorized individuals or storefronts. Using their networks, these individuals or establishments in destination countries collect money from Sri Lankan migrant workers with the promise of delivering agreed upon amounts to recipients in

Sri Lanka. These informal remittances are paid in the currency of the destination country, for example, Saudi riyals, but paid out in Sri Lanka using rupees already in the country. This means that informal remittances do not allow foreign exchange to cross geographic borders, thereby keeping costs relatively low. Lockdowns in March and April likely restricted access to informal remittance service providers. At the other end, paying-out partners in Sri Lanka experienced both mobility restrictions and cash shortages due to a slower economy. Simultaneously, the risk involved in informal transactions increased with the growing uncertainty in both remittance-sending and receiving economies. The combination of these reasons may have led migrant workers to use formal channels after April 2020.

If this hypothesis is true, remittances to Sri Lanka have increased from a macroeconomic accounting point of view. However, such a shift does not translate into an increase in remittances at the household level. It is more likely that remittances were lower than what households may have received through informal means. Undocumented immigrant workers are the main group relying on informal remittance channels. As shown by the number of Sri Lankan applicants for Kuwait Amnesty and the Italian 'Sanatoria 2020' amnesty, a substantial number of migrant workers overseas are undocumented. Such workers often find the shift to formal channels challenging because of their inability to fulfill transaction documentation requirements.

A third possible reason for increased remittances during the pandemic is an increase in occasional counter-cyclical remittances. The rapid online survey (Weeraratne, 2020b) found nontraditional remitters—such as those in Western countries—with less frequent and less reliable remittance habits. For example, the share of respondents sending remittances once a year was much higher in Western countries than in the Middle East. At the same time, these migrant workers were more stable and in a better position to remit to Sri Lanka if needed. During the pandemic, such migrants may have increased their frequency and amounts of remittances to Sri Lanka. Alternatively, they may have decided to channel their once-a-year remittances during this

period. Additionally, there were also new remitters who were motivated to remit to benefit from Sri Lankan government incentives. Specifically, the CBSL relaxed its foreign exchange regulations on 2 April 2020, inviting Sri Lankans and well-wishers in the country and abroad to deposit foreign currency into the Sri Lankan banking system (Lakshman & Attygalle, 2020). The acceptance of deposits without government hindrance was assured. The CBSL also introduced a special deposit account (SDA) that can be opened with inward remittances and earn interest—deposits for over six months would earn an interest rate higher than normal by one percentage point and deposits of 12 months would earn an interest rate higher by two percentage points (Department of Foreign Exchange, 2020a). Thus, additional remittances were transferred to the country under these incentives. For example, one commercial bank in Sri Lanka had received USD50 million–60 million in approximately 65 SDAs by May 2020 (Expert Committee, 2020b). The relatively small number of bank accounts attracting such vast sums indicates that these remittances were not from regular remitters who seldom exceed LKR40,000 a month, but from a new segment of remitters wishing to make use of the Sri Lankan government's incentives.

Another hypothesis is that migrant workers leaving destination countries due to the pandemic are remitting their savings and terminal employment benefits before departure. This is plausible given the high number of layoffs experienced by migrant workers and the large numbers who returned to Sri Lanka during March–August 2020. Moreover, even though passengers entering Sri Lanka can physically carry up to USD15,000 (Department of Foreign Exchange, 2021), the need to quarantine themselves for two weeks further may have prompted returnees to remit their savings ahead of traveling.

Summary and recommendations

The analysis above of migrant workers' and their families' experiences during the first seven months of the pandemic indicates that those in destination countries were uncertain about their employment and health outcomes. This led to many workers

returning to Sri Lanka before their employment contracts could expire. An unknown number of Sri Lankan-origin migrant workers experienced layoffs, wage cuts, and other employment-related issues due to the pandemic. Over 2,600 tested positive for Covid-19 and 67 died overseas far from their families (Hapuarachchi, 2020). A high incidence of Covid-19 was seen among those returning, which highlighted healthcare access and overall assimilation issues for Sri Lankan workers abroad. Together with retained migrant workers, these returnees are now struggling to find alternative employment in Sri Lanka's shrinking labor market. The loss of anticipated remittances and difficulty in finding alternative jobs in-country makes survival difficult.

While the situation was dire for migrant workers across all three stages of the migration cycle, remittances to Sri Lanka rebounded much earlier than anticipated. This better-than-expected performance in remittances from May to August 2020 can be attributed to a combination of backed-up remittances catching up, a shift from informal to formal remittance channels, countercyclical remittances, a new segment of remitters entering the country's remittances market, and the remittance of savings and employment terminal benefits before departure. However, this unanticipated increase is mostly an illusion for many remittance-receiving households in Sri Lanka and will not translate into lasting gains.

The following are some recommendations for Sri Lanka to improve labor migration and remittances:

- Migrant workers' unfavorable working, living, and social conditions were exacerbated during the pandemic. Sri Lanka must negotiate with destination countries to improve these conditions.
- Sri Lanka's most vulnerable migrant households are the least protected by social protection mechanisms. Labor migration and related remittances cannot improve their socioeconomic situation alone. Thus, the country's existing social protection mechanisms should strive to include vulnerable migrant households. The mechanisms should also cover migrant

households (with genuine reasons) suddenly left without remittances.

- Migrant households require support in improving their remittance management and adopting sustainable alternative income sources.
- Migrant workers require education on modern remittance methods.
- Migrant workers should be encouraged to transition to formal and fintech-based remittance methods that can be operated without physical presence.
- Sri Lanka should lobby for the global financial system to strike a reasonable balance with know-your-customer requirements and making formal channels inclusive for all migrant workers, including undocumented ones.
- Sri Lanka should support the ongoing international effort[4] referred to as the 'Swiss and UK call' to keep remittances flowing, which aims to ensure that remittance transfer services are available even if economic activities are disrupted by future situations similar to the Covid-19 pandemic.
- Sri Lanka should help held-up migrant workers maintain their skills and training for rapid redeployment in other countries by providing free online refresher programs via social media (Weeraratne, 2020a).
- Held-up migrant workers should be facilitated in reskilling and upskilling themselves to widen their options for re-employment.
- The Sri Lankan government should provide adequate social and economic reintegration support for returning migrants to restart their lives in Sri Lanka, focusing on entrepreneurial goals and necessary training and support.

[4]https://www.knomad.org/covid-19-remittances-call-to-action/#:~:text=The%20Call%20to%20Action%20%E2%80%9CRemittances,Networks%20(IAMTN)%20and%20the%20International

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Chapter 8

The Covid-19 pandemic and migrant workers in Malaysia and Singapore, with a special focus on South Asian workers

Piyasiri Wickramasekara

Introduction

The Gulf Cooperation Council countries have generally been the preferred destination for South Asian workers, but a sizeable number have also migrated to Malaysia and Singapore over the years, especially from Bangladesh, India and Nepal. All three countries have signed bilateral memorandums of understanding (MOUs) at various stages with Malaysia. Pakistani workers too have migrated to the two countries in limited numbers. There are also workers with an irregular status in Malaysia from these countries, especially from Bangladesh. Singapore has always followed unilateral policies without any bilateral cooperation on labor migration with migrant-origin countries.

Most available research is on the migration of South Asian workers to the Gulf Cooperation Council area, but similar issues face migrant workers to the Southeast Asian destinations of Malaysia and Singapore, particularly the structural factors affecting the vulnerability of low-skilled and semi-skilled workers. The Covid-19 pandemic has led to an unprecedented triple crisis—a health crisis, an economic and jobs crisis and a migration crisis—at the global, regional and national levels. It has exposed the structural injustices inherent in the migration systems of these two countries. This chapter reviews migration

policies and responses to the Covid-19 crisis in Malaysia and Singapore—two of the major destinations for migrant workers from Bangladesh, India, Nepal, and Pakistan.

Following a brief note on its objectives and methodology, the chapter highlights key features of labor migration in the two countries and recent trends. It focuses on low-skilled temporary migrant workers and factors that contribute to their vulnerability. This is followed by the policy response to the pandemic and its impact on migrant workers in the two countries. The final section provides some conclusions and policy implications.

Objectives and methodology

The objectives of this study are to:

- Assess the impact of Covid-19 on the vulnerability of low-skilled South Asian workers in Malaysia and Singapore.
- Review the policy responses of the two countries and their implications for migrant workers and countries of origin.
- Suggest areas for improvement in policies in both destination and origin countries.

The chapter is primarily a desk review based on secondary sources. There are problems of data transparency in both countries where reliable information on the migrant worker population or their sources is not available. Singapore labor market information mostly relates to the resident population defined as citizens and permanent residents. Low-skilled migrant worker data is collected through administrative records such as work permits, and the Ministry of Manpower does not publish data on the origin of migrant workers. In Malaysia, there are major gaps in migrant statistics, especially concerning workers with an irregular status, with different sources providing different estimates (World Bank, 2020).

The notion of the triple crisis—the health crisis, economic crisis and migration crisis—provides the building blocks of the analysis. The four basic tenets of the United Nations secretary-

general in governing the crisis and its aftermath are highly relevant to this analysis (see Box 1).

The initial health crisis triggered by Covid-19 infections has affected migrant workers in a disproportionate manner, given their living conditions—substandard accommodation in unhygienic, crowded settings without scope for social distancing. They also have limited access to healthcare and social protection (United Nations, 2020b)

Box 1: Four basic tenets of advancing safe and inclusive human mobility during and in the aftermath of Covid-19

1. 'Exclusion is costly in the long run whereas inclusion pays off for everyone.
2. The response to COVID-19 and protecting the human rights of people on the move are not mutually exclusive.
3. No one is safe until everyone is safe.
4. People on the move are part of the solution.'

Source: United Nations (2020a).

The economic crisis has occurred because the health crisis has led to restrictions in mobility and lockdowns in most sectors, leading to an economic recession, business closures, virtual stoppage of tourism and travel with border closures, layoffs, reductions in pay, and remote working, among others. Both Malaysia and Singapore have experienced negative GDP growth in 2020 (Asian Development Bank, 2020). The exclusion of migrant workers is not a logical approach because the pandemic does not discriminate between nationals and migrant workers.

This, in turn, has led to a migration crisis where migrant workers are the first to be laid off and suffer nonpayment of wages. They cannot return home because of travel restrictions. They have very limited access, if at all, to the relief measures, social protection and safety nets available to national workers. The worst affected are temporary migrant workers, those with high debt burdens, and workers with irregular status and precarious immigration status who are put into detention centers

or deported. The Covid-19 crisis itself had led to changes in immigration status.

Most low-skilled migrant workers from South Asia in these two countries are male, and this chapter focuses only on them. It does not discuss the issues of female domestic workers who are mostly from Indonesia and the Philippines. This chapter also does not deal with the Covid-19 situation of refugees in Malaysia, which merits a separate discussion.

Migration profile in the two countries for low-skilled and semi-skilled workers

Table 1 shows selected aspects of the demographic and economic profile of the two destination countries and origin countries discussed in the chapter. It shows the wide range of countries in terms of population and GDP per capita. Singapore is at the top in terms of income with an annual per capita GDP of USD65,233 while Bangladesh is at the lowest end of the spectrum, at USD1,856 per capita. Malaysia is in the upper middle-income range with a GDP of USD11,414 per capita—still about a sixth that of Singapore. These disparities in income may partly explain why these destinations are so attractive for migrant workers from South Asian countries.

Table 1: Demographic and economic profiles of countries

	Surface area (sq km) 2018	*Total pop. 2019 (million)*	*Pop. density/ sq km 2018*	*GDP per capita USD 2019*	*GDP per capita growth rate 2019*	*Labor force total 2019 (million)*
Bangladesh	147,630	163	1,240	1,856	7.0	70.03
India	3,287,259	1,366	455	2,006	3.96	494.0
Nepal	147,180	28.6	196	1,071	5.04	16.9
Pakistan	796,100	217	275	1,285	-1.04	73.9
Sri Lanka	65,610	21.8	346	3,853	1.66	8.9
Malaysia	330,345	32	96	11,414	4.3	15.7
Singapore	719	5.7	7,953	65,233	-0.41	3.5

Source: Compiled from the World Development Indicators database.

Both Malaysia and Singapore are primarily destination countries for immigrant labor and therefore their migration policy

is concerned with admission policies and governance of foreign workers. Both countries have relied heavily on migrant workers—skilled and low-skilled workers—for decades, especially during periods of high growth. Low-skilled workers have filled labor shortages in agriculture, plantations (Malaysia), construction, domestic work, and other occupations shunned by local workers.

Both countries do not use the term 'migrant worker' and the term 'foreign worker' in Malaysia denotes low-skilled migrant workers in different sectors. Singapore includes them as work permit holders in domestic work, construction, maritime work, and other low-skilled work. Although both countries welcome skilled migrants with permanent residency options, low-skilled workers receive temporary work permits that can only be renewed for up to five to ten years.

Malaysia

Table 2 shows the distribution of temporary employment pass holders (PKLS) from South Asia in Malaysia in June 2019.

Table 2: South Asian workers in Malaysia on temporary employment passes, June 2019

	Country	*Total no. of workers*	*% of each in South Asian total*	*% of workers from all countries*
1	Bangladesh	568,929	53.1	28.4
2	Nepal	316,102	29.5	15.8
3	India	117,733	11.0	5.9
4	Pakistan	61,689	5.8	3.1
5	Sri Lanka	6,489	0.6	0.3
	Total	1,070,942	100.0	53.5 (2,002,427)

Source: Compiled from Table A1 (see Appendix).

While all temporary employment pass holders amounted to about 2 million, workers from South Asia accounted for 53.5 percent of this number. Bangladesh accounted for 53 percent of all workers from South Asia, followed by Nepal at close to 30 percent and India at 11 percent. These are documented workers with work permits. However, there are substantial numbers of undocumented workers in Malaysia. A World Bank (2020)

estimate put the total number of workers at 2.96 million to 3.26 million in 2017. Out of this, foreign workers with irregular status were estimated to range from 1.26 million to 1.46 million or 41 percent of the total (World Bank, 2020). Other estimates put this number much higher (see Wickramasekara, 2020). The share of migrant workers (documented) in Malaysia's workforce is currently about 15 percent and about 25 percent with undocumented workers.

The estimated distribution of undocumented workers by origin country shows that Bangladesh accounts for 41 percent of the total, followed by Indonesia (30 percent) and India (12 percent) (World Bank, 2020). These have obvious implications for their vulnerability. Since Malaysian law does not recognize asylum seekers or refugees, they are also branded as illegal immigrants, which may swell these numbers (Daniel & Yasmin, 2020).

Government estimates of documented workers by occupational sector indicate a heavy concentration in manufacturing and construction, followed by services. Malaysian government data shows that the shares vary for some countries, with Nepal and Sri Lankan workers dominated by manufacturing and India by services (Table 3). This is because Indian workers are not permitted in the construction and manufacturing sectors, except for specified fields.

Table 3: Malaysia: Distribution of South Asian workers by sector (percentage), June 2019

Sector	*Bangladesh*	*Nepal*	*India*	*Pakistan*	*Sri Lanka*	*South Asia %*	*All countries*
Manufacturing	36.5	72.4	2.6	5.8	62.4	41.7	34.9
Construction	38.1	2.2	8.4	43.2	4.3	24.3	21.9
Plantation	5.4	0.8	23.6	9.7	2.5	6.3	13.6
Services	16.5	21.7	43.0	14.0	19.7	20.8	15.3
Agriculture	3.5	2.8	21.5	27.4	2.3	6.7	7.8
Domestic work	0.0	0.0	1.0	0.0	8.7	0.2	6.5
Total South Asia %	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total South Asia (no.)	568,929	316,102	117,733	61,689	6,489	1,070,942	2,002,427

Source: Compiled from Table A1 (see Appendix).

Singapore

Singapore has had a long history of reliance on migrant workers. While encouraging skilled workers, it did not allow skilled admissions before 1968, and even then, workers were hired only from Malaysia. Due to continuing shortages, it opened its doors to workers from China and 'nontraditional source' countries in 1978.[1] Although Singapore planned to phase out low-skilled migrant workers by the late 1980s, it later found this was not feasible, given the large demand for construction work and domestic services (Wickramasekara, 2002).

The demand for foreign workers is for several reasons:

- Serious labor shortages of low-skilled and semi-skilled workers in construction, domestic services and other services.
- Reluctance of native workers to engage in 3D activities involving manual labor, even in times of recession.
- The high female labor participation rate of educated native workers, which has created a strong demand for domestic migrant workers for household work and childcare.
- An ageing population, leading to higher demand for care work for the elderly.

As mentioned above, information on the migrant worker population in Singapore is limited. The Ministry of Manpower reported a nonresident workforce of 1.4 million in 2019, which is close to 40 percent of the labor force (Table 4). Residents are defined as citizens and permanent residents. Foreign workers without permanent residence status on different types of employment visas are listed as 'nonresident' (meaning 'foreign') labor.

[1]Singapore makes a distinction between nontraditional source countries (Bangladesh, India, Indonesia, Myanmar, the Philippines, Sri Lanka, and Thailand currently) and North Asian source countries (Hong Kong SAR, Macau SAR, Republic of Korea, and Taiwan (China)). China and Malaysia are treated as separate source countries with traditional ties.

Table 4: Labor and share of foreign labor force

Year	*Labor force ('000)*	*Foreign (nonresident) labor force ('000)*	*Share of foreign (nonresident) labor force %*
2001	2,330.5	686.2	29.4
2010	3,135.9	1,088.6	34.7
2015	3,610.6	1,378.3	38.2
2019	3,740.8	1,412.3	37.8

Source: Ministry of Manpower, Singapore.

Table 5: Singapore: Distribution of foreign workers according to passes and work permits ('000)

Pass type	*Dec-15*	*Dec-19*	*Jun-20*
1. Employment pass (EP)	187.9	193.7	189.7
2. S-pass	178.6	200.0	188.8
3. Professional and skilled workers 1 + 2	366.5	393.7	378.5
4. Work permit (total)	997.1	999.0	940.2
5. Total = 3 + 4	1,363.6	1,392.7	1,318.7
6. Work permit (foreign domestic work)	231.5	261.8	252.6
7. Work permit (CMP sectors)	423.3	370.1	351.8
8. Subtotal 6 + 7	654.8	631.9	604.4
9. Other work passes	23.6	34.7	33.1
10. Total foreign workforce = 5 + 9	1,387.3	1,427.5	1,351.8
11. Total foreign workforce excluding FDWs	1,155.8	1,165.6	1,099.2
12. Total foreign workforce excluding foreign domestic work and work permits in CMP sectors	732.5	795.6	747.5

Note: Employment pass: for foreign professionals, managers and executives. Candidates need to earn at least SGD4,500 a month and have acceptable qualifications. S-pass: for mid-level skilled staff. Candidates need to earn at least SGD2,500 a month and meet the assessment criteria. Work permit for foreign workers: for semi-skilled foreign workers in the construction, manufacturing, marine shipyard, process or services sectors. Work permit for foreign domestic workers: for foreign domestic workers to work in Singapore.
Source: Ministry of Manpower, Government of Singapore.

According to Table 5, about 70 percent of the workforce constitutes work permit holders in domestic work and construction, maritime and process (CMP) work. Skilled workers amount to about 30 percent of the total (excluding permanent residents). Bangladeshi workers are mostly found in manufacturing and construction, but since 2012, they have only been allowed to work in the plantation sector. There are different work permits and passes, depending on skill categories. The total foreign workforce is now 1.4 million, up from 1.1 million in

December 2010. CMP and domestic work are the main sectors in which low-skilled migrant workers are concentrated, as shown by Table 5. The total work permit figure contains data for sectors not included in the table.

Migration governance in Malaysia and Singapore

Malaysia

Malaysia has relied on low-skilled migrant workers since it achieved rapid industrial growth. Local workers were not willing to work on plantations or in low-paid manufacturing and services jobs. Admission has been tightly controlled with defining sectors of employment for workers from different countries. Over time, migration governance has improved to some extent with the introduction of new laws. The government has introduced a minimum wage for workers other than in domestic work, but employer-tied visas and the dominance of private recruitment agencies have led to continuing problems in ensuring decent work for migrant workers.

Overall, Malaysia's labor migration policies continue to be conspicuously unbalanced, primarily managing migrant workers as a security concern rather than in view of their massive contribution to the country's economic performance. The agricultural, construction and manufacturing sectors are key engines of growth that remain heavily dependent on low-skilled migrant workers to maintain their competitiveness. According to the International Labour Organization (ILO), transition to a high-skilled labor force through restructuring does not appear likely to reduce the need for these workers in the immediate term' (2016, p. 23). While there are bilateral MOUs with some countries—Bangladesh, India, Nepal, and Indonesia (defunct)—there is no information on the extent to which employers or recruitment agencies adhere to the MOU provisions.

Poor governance is manifested in several areas. In the first place, there is fragmentation of responsibilities between the Ministry of Human Resources and the Ministry of Home Affairs on the governance of migration. While the Ministry of Human

Resources looks after labor market needs and workplace protection, the Ministry of Home Affairs is responsible for admission of migrant workers and issuance of work permits for migrant workers. It also adopts a security-oriented approach in migration matters. The regulation of recruitment and outsourcing agencies (now being phased out) have generally been lax, leading to various malpractices (Wickramasekara, 2020).

Another indicator of poor governance is the high incidence of irregular migration, with varying estimates. The latest estimate by a World Bank (2020) study put this at around 41 percent of the total migrant workforce. Periodic amnesties have been accompanied by detention and deportation, with frequent violations of the human rights of migrant workers in the process (ILO, 2016). As Daniel and Yasmin remark (2020): 'A significant challenge to policymaking is the trust deficit among multiple stakeholders—the government, international organizations, NGOs, the private sector and refugee associations. This deficit has resulted in stakeholders working in silos rather than with each other.'

Workers' living conditions have generally been substandard, with no government enforcement of laws. Corruption is rife and some law enforcement officials—and the police especially—frequently harass migrant workers. Passport and work permit confiscation is common. In general, migrant workers' access to justice is very limited in Malaysia (Bar Council Malaysia, 2019).

Singapore

Singapore's policies have generally distinguished between skilled migration and low-skilled migration from the inception. It has continued to encourage highly skilled migration, giving such workers better rights such as family unification, permanent residency and the possibility of transition to citizenship. Low-skilled migrant workers are essentially treated as a temporary or transient workforce as needed by the economy and employers. They are confined to permitted sectors and have no right to bring their families or be considered for permanent residency (Wickramasekara, 2016).

Nationals shun low-wage jobs involving manual labor or shift work. State policy ensures the temporary nature of foreign workers through a work permit system, the sector dependency ceiling requirement for enterprises and a monthly levy on employers for each worker hired. The levy is higher for low-skilled workers with the objective of reducing employer reliance on such workers and promoting industrial restructuring. The employment contract determining wages and conditions of work is essentially between the worker and the employer, and in some cases the recruitment agent. Employers rely on a network of foreign and local recruitment agencies to hire migrant workers. Local and foreign recruitment agencies often collude in charging high fees and providing false information about wages and working conditions (Wickramasekara, 2016; Au, 2020).

The protection of workers is a secondary concern for Singaporean policymakers. This has led to major gaps in the policy and regulatory framework and enforcement. While Singapore is among the world's top countries in terms of business practices and efficiency, its treatment of migrant workers brings it close to the bottom-line, together with the Gulf countries and Malaysia.

Common problems relate to high recruitment fees charged by foreign and local recruitment agencies; unpaid salaries or irregular salary payments; discriminatory wages; unsafe work environments and overwork; physical, emotional and sexual abuse; and forced labor practices such as debt bondage. Migrant workers lack basic labor protection such as minimum wages, standardized work hours and freedom of association. The New York Times rightly observes: 'If Singapore is to preserve its high standard of living, it must ensure that the millions of transient workers who contribute so much to the economy are not marginalized and abused' ('Singapore's Angry Migrant Workers', 2013).

Singapore's unilateral policy driven by self-interest is also reflected in the absence of bilateral cooperation with any origin countries. It has not signed any bilateral agreement or MOU on labor migration with the major source countries that supply migrant workers. An employer-driven policy and employer-tied

visas, labor subcontractors and excessive recruitment fees are common for South Asian workers from Bangladesh, India, Nepal, and Pakistan. Excessive recruitment fees far above the legally stipulated two months' wages keep migrant workers in a precarious state of indebtedness.

Despite being a very high-income country, there is no minimum wage for migrant workers in Singapore. Employers typically set low wages, ranging from SGD250–600 per month while the median wage for national workers is around SGD4,500 per month (Ministry of Manpower, n.d.). As Han (2020) argues, Singapore 'must stop treating workers as digits in a game of economic growth.'

Impact of the pandemic on countries and migrant workers

Covid-19 incidence

Table 6 provides a comparative analysis of the incidence of Covid-19 in the countries under review. Singapore has the highest incidence based on cases per 1 million of the population, followed by Nepal and India, although it reports the lowest death rate. According to official data, there were 25 intensive care unit admissions of migrant workers living in dormitories and only two deaths caused by the disease. Malaysian cases are low compared to its population, although the death rate is higher than that of Singapore. India is the worst affected among South Asian countries in terms of incidence and death rate.

Table 6: Incidence of Covid-19 as of 19 December 2020

Country (1)	*Total population 2019 (million) (2)*	*Cumulative cases (3)*	*Cumulative cases per 1 million of population (4)*	*Cumulative deaths (5)*	*Cumulative deaths per 1 million of population (6)*
Bangladesh	163	498,293	3,057	7,217	44
India	1,366	10,004,599	7,324	145,136	106
Nepal	28.6	252,474	8,828	1,765	62
Pakistan	217	451,494	2,081	9,164	42
Sri Lanka	21.8	35,387	1,623	160	7
Malaysia	32	90,816	2,838	432	14
Singapore	5.7	58,386	10,243	29	5

Source: Word Health Organization (https://covid19.who.int/table). Column 2 from World Development Indicators. Columns 4 and 6 calculated using population data in Column 2.

Economic impact of the pandemic

It is outside the scope of this chapter to review the economic impact of the pandemic in detail. What follows is a summary of the impact on the GDP growth rates of the selected countries. Asian Development Bank (ADB) forecasts show that both countries have suffered an economic decline in the short term and longer-term containment scenarios. The worst affected sectors are hotels and restaurants and other personal and transport services, all of which have been under strict lockdown. As Table 7 shows, the ADB forecasts steep downgrades to 2020 GDP growth levels for most economies. These developments have implications for layoffs, wage trends and employment of migrant workers.

Table 7: ADB estimates and projections of GDP growth rate per year, 2019–21

	2019	*2020*			*2021*		
		Apr ADO 2020	*Jun ADOS*	*Sep update*	*Apr ADO 2020*	*Jun ADOS*	*Sep update*
Bangladesh	8.2	7.8	4.5	5.2	8.0	7.5	6.8
India	4.2	4.0	–4.0	–9.0	6.2	5.0	8.0
Nepal	7.0	5.3	2.3	2.3	6.4	3.1	1.5
Pakistan	1.9	2.6	–0.4	–0.4	3.2	2.0	2.0
Sri Lanka	2.3	2.2	–6.1	–5.5	3.5	4.1	4.1
Malaysia	4.3	0.5	–4.0	–5.0	5.5	6.5	6.5
Singapore	0.7	0.2	–6.0	–6.2	2.0	3.2	4.5

Note: ADO = Asian Development Outlook, ADOS = ADO supplement.
Source: Asian Development Bank (2020).

The pandemic and migrant workers

As highlighted earlier, pre-existing systemic and structural features of the migration regime for low-skilled workers in both countries have aggravated the adverse impact of the pandemic. Migrant workers are marginalized and the pandemic has highlighted this 'structural disempowerment and vulnerability' (Au, 2020). One analyst has referred to the 'pandemic of inequalities' in Singapore in relation to recent developments (Tan, 2020). In both countries, migrant workers have been concentrated in sectors affected by lockdowns: agriculture (Malaysia), construction, retail, entertainment, and hospitality, including tourism and the informal economy.

Compared to most South Asian countries, the overall impact of the pandemic in the two countries has been limited. The data for Malaysia does not provide data separately for foreign workers. In relation to its population, however, Singapore has been more affected than Malaysia. The inequality in disease incidence is evident in Singapore where statistics distinguish between community cases and dormitory cases. More than 90 percent of infections in Singapore relate to migrant workers in shared accommodation.

As expected, migrant accommodation in both countries has been the center of the pandemic. This is due to high exposure to the risk of infection in overcrowded and unhygienic migrant dwellings. It is normal for up to 20 workers to share a room in a dorm. The Malaysian minister for human resources recently cited the 'very worrying' statistic that about 91.1 percent of, or 1.4 million, foreign workers in Malaysia are not provided accommodation that complies with the Workers' Minimum Standards of Housing and Amenities Act 1990 or Act 446 ('More than 90% of Foreign Workers', 2020).

A first Covid-19 cluster was discovered in Malaysia in migrant accommodation in the Selangor Mansion, Malayan Mansion and Menara City One buildings in central Kuala Lumpur, which led to movement control and lockdowns (ILO, 2020). More recently, the worker dormitories of Top Glove, one of the world's largest makers of medical gloves, have become Malaysia's biggest coronavirus cluster, with more than 5,000 infections, 94 percent of them foreign workers (Lee & Ananthalakshmi, 2020). Even before, the company had a poor record of workers' rights, leading to export bans by the US at one point.

Among migrant workers, the worst affected are daily-wage workers, informal economy workers and those with an irregular status—these groups are not mutually exclusive, with irregular workers often operating in the informal economy. With movement control and lockdowns, migrant workers have suffered layoffs and wage losses due to business closures, especially among small enterprises such restaurants. They have had to take unpaid leave and face reduced salaries and forced work without pay according to trade unions and nongovernment organizations.

The Malaysian Trade Union Congress has reported rights violations in several areas: unfair termination, unpaid wages, poor living conditions, employers forcing workers to continue in nonessential jobs, and uncertainty about employment status due to limited contacts with employers (ILO, 2020). For example, several alleged labor violations have been reported in the Malaysian rubber gloves manufacturing sector related to noncompliance with the movement control order (MCO) rules, social distancing, occupational safety and health, working hours, forced labor and living conditions (Lee & Ananthalakshmi, 2020).

While Singapore initially took credit for controlling the spread of the pandemic in the community, it overlooked the most vulnerable group of low-wage migrant workers who had contributed considerably to its prosperity. Overcrowded dormitories have been the main sites of Covid infection in Singapore where migrant workers cannot practice social distancing. By the end of April 2020, all dormitories—housing over 320,000 men, mostly from Bangladesh, India and China—were brought under lockdown to prevent the spread of the virus to the rest of the community (Han, 2020). As of 13 August, 52,516 dormitory residents were found to have tested positive for the coronavirus, which is more than 90 percent of all cases (Han, 2020). By December, a total of 54,500 migrant workers had tested positive based on the PCR test (Ilmer, 2020).

> 'Migrant workers are [the] backbone of Singapore's economy. However, like other states, it seems that Singapore too is treating its migrant workers unfairly and perhaps in a discriminatory manner,' says Surya Deva, a professor at the City University of Hong Kong and member of the United Nations Working Group on Business and Human Rights (cited in Hui, 2020).

Singapore's health ministry said that, by August, the entire worker population had been tested at least once. The last Covid-19 cluster in a migrant workers' dormitory ended in early December 2020, marking the first time there were no active clusters in Singapore since the pandemic began. It is to Singapore's credit that all tests were carried out free and workers

relocated to prevent infections. The latest official figures, however, show that 152,000 or 47 percent of all migrant workers who live in dormitories had been infected—this is three times higher than the number previously reported. The new figure is based on two measures: (i) those who tested positive using normal PCR tests, and (ii) those who tested serology-positive, indicating a previous infection (Hui, 2020).

Migrant workers are now largely confined to dormitories outside working hours with strict regulations and fines. Activists describe these dormitories as prisons (Hui, 2020). The Singapore authorities say that, once the outbreak in the dormitories is under control, restrictions on migrant workers will be progressively eased (Ilmer, 2020). Migrant workers will be allowed back into the community once a month in a 2021 pilot scheme. This may mean that migrant workers' mobility rights are severely restricted

Response to the pandemic and migration

It is important to recall references to support for migrant workers made in the joint statement by the Association of South-East Asian Nations (ASEAN) labor ministers in response to the impact of the coronavirus (Box 2). The statement called for appropriate compensation, social protection and assistance to migrant workers who had been laid off or sent on leave and facilitated access to all health services. The reference to the ASEAN Consensus on migrant workers is also a step in the right direction. The following analysis shows that the two countries, especially Malaysia, have fallen far short of these recommendations.

Box 2: Joint statement of ASEAN labor ministers in response to the impact of Covid-19 on labor and employment on 14 May 2020

Member states are required to:

1. 'Endeavour to provide that all workers, including migrant workers, laid off or furloughed by employers affected by the pandemic, are compensated appropriately by their employers and are eligible to receive social assistance or unemployment benefits from the government where appropriate, in accordance with the laws, regulations and policies of the respective ASEAN Member States.

2. Facilitate access of all workers infected by Covid-19 to essential healthcare services and other relevant medical support as necessary and prevent discrimination against infected workers.

3. Provide appropriate assistance and support to ASEAN migrant workers affected by the pandemic in each other's country or in third countries, including effective implementation of the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers, working toward their health, wellbeing and safety as well as facilitating their movement and reuniting them with their families.'

Source: ASEAN (2020, pp. 3–4).

Malaysia

Malaysian policies have taken the following forms.

Movement control. On 18 March 2020, Malaysia imposed a curfew known as the MCO. This was implemented in phases and extended over two weeks gradually from 18 to 31 March 2020 (phase 1), 1 to 14 April (phase 2) and 15 to 28 April (phase 3). The objective was to restrict people's movement to control the spread of the virus. This has put at risk both migrant workers who are unable to work during the MCO and those who continue to work in essential services (ILO, 2020; Wahab, 2020).

The Malaysian government has reviewed the implemented MCO from time to time, based on the Covid-19 situation in the country. In the fourth phase, a recovery MCO was extended until 31 December 2020. On 7 November 2020, the Malaysian government announced the implementation of a conditional MCO in most states from 9 November to 6 December 2020 (Flanders Investment and Trade, n.d.). The organization of Covid-19 responses differs markedly between countries, ranging from ministerial-level centralized responses, for example, in Brunei, Vietnam, Singapore, and Malaysia (Djalante et al., 2020), to ad hoc measures.

Border controls. On 10 September 2020, the Malaysian government announced an entry ban on citizens from 23 countries with over 150,000 Covid-19 cases, including India, Bangladesh and Pakistan. This did not apply to expatriates and their

dependents, including foreign domestic workers employed by expatriates who held a valid long-term pass and/or had obtained a pass approval application and were allowed to enter Malaysia (Flanders Investment and Trade, n.d.).

Testing and follow-up. There are pronounced inconsistencies in this area. A policy announced in March 2020 guaranteed that migrants—including undocumented workers, refugees and asylum seekers—would be provided free testing and treatment for Covid-19. The government also agreed not to arrest undocumented migrants as part of the testing process.

A policy reversal occurred on 29 April when the defense minister stated that all undocumented migrants found in enhanced MCO areas across the country would be placed in detention centers or special prisons gazetted by the home ministry. Concerns were expressed by the United Nations in Malaysia regarding this change in policy after large-scale arrests in three buildings that housed hundreds of migrant workers

On 4 May, the government announced that all migrant workers were required to undergo Covid-19 swab tests, for which their employers would pay. The Malaysian Employers Federation voiced its objection to this policy, stating that it put an additional burden on already struggling companies. On 5 May, the government announced that the cost of Covid-19 screening could be covered by the Social Security Organization for those migrant workers who contributed to the latter. However, this left out large numbers of workers, especially those with an undocumented status ('Malaysia Marginalizing Millions', 2020).

Detention and deportations. The Malaysian government has carried out collective deportations to Bangladesh, Nepal, India, and Indonesia. The worst-affected country in this regard is Indonesia, to which many undocumented workers have been deported. The government reported having deported over 20,000 foreign workers between the beginning of 2020 and 10 August 2020, with another 15,000 detained for having violated immigration laws, likely meaning that they were undocumented workers (N. Lee, 2020).

Malaysian detention centers have long been known as overcrowded, unhealthy places for migrant workers. Human Rights Watch (2020a) reported that 756 children were being held in migration detention as of 26 October 2020 and urged their immediate release. The arrest and detention of migrant workers through immigration raids during the pandemic is a questionable move because overcrowded detention centers are likely to become coronavirus hotspots (Theng & Romadan, 2020).

Visa extensions for stranded migrant workers. There is no information on visa extensions for workers in the context of hardships encountered as a result of the pandemic.

Layoffs. The Ministry of Human Resources has advised that, if layoffs by companies are inevitable, foreign employees should be terminated first. The Malaysian government has provided limited help to such workers and taken the position that migrant workers are the responsibility of their respective embassies, according to Jarud Romadan at the Khazanah Research Institute (cited in 'Malaysia Marginalizing Millions', 2020). This position ignores the crucial role of migrant workers in the economy up to now.

In July 2020, the Malaysian government announced that only the construction, agriculture and plantation sectors were allowed to hire foreign labor. Following employer pressure, this restriction was lifted (Y. N. Lee, 2020). Oil palm plantations have even proposed using prison labor to meet the shortages, with no possibility of hiring workers from abroad. The Malaysian Employers' Federation has highlighted the critical labor shortages facing agriculture and manufacturing, particularly the palm oil industry (Pattisson, 2020). Despite the hype, fewer than 10,000 local workers have been employed in the construction, agriculture and plantation sectors to fill over 100,000 vacancies left by foreign workers since the start of the Covid-19 pandemic ('Less Than 10k Locals', 2020).

Exclusion from stimulus and relief support measures for laid-off, destitute migrant workers. In terms of supporting the fiscal economy, Malaysia has provided three stimulus packages to

support the economic impact of Covid-19. However, most of these have bypassed migrant workers.

Crackdown on migrant voices. Malaysia has shown little tolerance for any criticism of its policies by migrant workers. Box 3 highlights the fate of a Bangladeshi migrant worker who spoke to the media on the treatment of migrant workers. He was deported by the government for speaking to Al Jazeera. Similarly, Top Glove sacked a supervisor from Bangladesh who highlighted the lack of social distancing in the company's factories; he had to return to Bangladesh at his own expense.

Box 3: Crackdown on the media and migrant voices in Malaysia: Al Jazeera

A documentary titled 'Locked Up in Malaysia's Lockdown' reported the widespread outrage caused by Malaysian immigration authorities' heavy-handed treatment of migrant workers and asylum seekers as part of the government's efforts to stop the spread of Covid-19. Interviewees spoke of the various forms of harassment and discrimination to which they had been subjected.

Mohammad Rayhan Kabir, a migrant worker from Bangladesh, was featured in an Al Jazeera documentary that aired on 3 July 2020 about the treatment of migrant workers in Malaysia during the pandemic lockdown. The government targeted both Kabir and Al Jazeera, with the news agency now facing potential charges of sedition, defamation and violation of the Communications and Multimedia Act. Al Jazeera has also been accused of failing to obtain a license to make the film in an unprecedented use of Malaysia's outdated National Film Development Corporation Act.

On the day of his arrest, Kabir wrote to a journalist saying, 'I did not commit any crime. I did not lie. I have only talked about discrimination against the migrants. I want the dignity of migrants and my country ensured. I believe all migrants and Bangladesh will stand with me.' A group of 21 Bangladeshi civil society organizations called for Kabir's release. The Malaysian Lawyers for Liberty stated: 'Nothing Rayhan said is even remotely in breach of Malaysian laws.'

The Malaysian government deported Kabir to Bangladesh on 21 August 2020.

Source: Based on information from Human Rights Watch (2020b).

Singapore

The rapid rise in Covid-19 infections prompted the Singapore government to implement a dual-track approach. While it was initially successful in minimizing the spread of the virus among citizens, migrant worker dormitories have proved to be large clusters of infection. Singapore imposed a 'circuit breaker' on 7 April 2020, which was a virtual lockdown (Woo, 2020).

Although the media and nongovernment organizations had documented the overcrowded and unsanitary conditions of migrant worker dormitories well before the pandemic, policymakers continued to ignore them, reflecting their lack of concern about the welfare of low-wage migrant workers and the institutionalized neglect of the country's 300,000-plus migrant workers (Woo, 2020; Yea, 2020). According to Yea (2020), 'Their rights have long been ignored because they are transient and, for the most part, deemed disposable.'

Faced with the crisis, Prime Minister Lee Hsien Loong promised migrant workers that 'we will care for you, just like we care for Singaporeans' on 21 April 2020. The major measures adopted related to rapid action through lockdowns of worker dorms, distancing, isolation, and free treatment. There are now 24 rostered routine testing facilities in dormitories, with nine more to be set up. Rather than completely closing off dormitories, Singapore is letting workers go to their jobs, but with repeated testing, greater social distancing, close monitoring, and rapid isolation of close contacts.

In view of reports on mental stress among migrant workers due to long isolation and concerns about their jobs, a taskforce named Project Dawn was set up to improve awareness of mental health issues among migrant workers and to provide better support for those who need such care (Chew, 2020). It consists of government representatives and two nongovernment organizations that assist migrant workers. New standards for workers' housing have been developed, with the current standard of 12–16 persons sleeping on double-decker beds to be replaced by dorms that house a maximum of 10 persons per room, in single

beds with more bathroom, toilet and sickbay facilities in proportion to the number of residents (Han, 2020). What is important is to ensure regular supervision by the labor inspection system to sustain these changes.

Conclusions and recommendations

Conclusions

As highlighted above, low-skilled or low-wage migrant workers in both countries were already in precarious positions due to long-standing migration regimes with structural patterns of discrimination and marginalization. These aggravated the disproportionate impact of the pandemic, especially because migrants were concentrated in unhygienic and cramped living quarters. This is clear from the fact that about 93 percent of all Covid-19 cases in Singapore were among migrant workers. Migrant workers in both countries have borne the brunt of the pandemic and related lockdown measures.

The crisis has highlighted the essential contribution of migrant workers to the economies of both countries, irrespective of skill or status and their rights. It has also underscored the marginal situation of low-wage migrant workers in both countries. The experience of the two countries has demonstrated that including migrant workers in response mechanisms, especially health programs, is critical, although Malaysia has faltered on this aspect. Its wavering policies on who should bear the cost of testing and launch of immigration raids to round up undocumented workers show poor governance of the issue.

The guidelines recommended by the ASEAN labor ministers have not been fully respected by either country. Singapore, however, has made free access to testing and health facilities available to all migrant workers and deserves credit for organizing this efficiently. Malaysia has been inconsistent in providing even free testing facilities to migrant workers. Its actions have discriminated against migrant workers with an irregular status perceived as a 'security threat'. Both countries have provided relief

mainly to local workers through job support and relief schemes, which have not been extended to migrant workers.

Layoffs have been common, especially in Malaysia as small and medium businesses face lockdowns. It is not clear how many migrant workers have suffered wage losses or declines in the absence of data. The bulk of migrant workers were kept in lockdown in Singapore and there is no information on the extent of job losses, furloughs or wage arrears. There is evidence of xenophobia and discrimination against migrant workers as potential carriers of the virus and as threats to public health and security. This has been reinforced by government policies in both countries, which have tried to shield local communities from migrant workers.

As stated by the United Nations secretary-general, migrant workers in both countries are part of the solution in the recovery process. This is why Malaysian policymakers have gradually acceded to employers' demands to redeploy available migrant workers to sectors experiencing labor shortages. Singapore is also mobilizing all workers who have tested negative or recovered to their places of employment. While there is demand from Malaysian employers for new admissions to tackle labor shortages, the government has yet to open borders to such workers. With economic recovery expected in 2021, the demand for migrant workers may revert to previous levels. Until the recruitment of foreign workers is possible, it is important to provide opportunities to those still in the country who are either unemployed or whose permits have expired.

Recommendations for both countries

There is an overriding need in both countries to address structural flaws in the migration regime for low-skilled and low-wage workers. The two governments should not turn a blind eye to the abuse and exploitation of migrant workers and recruitment malpractice, which cause enormous hardship among migrant workers. The case of Top Glove in reimbursing the recruitment fees of migrant workers shows what is possible when there are sanctions from buyers (Business and Human Rights Resource

Centre, 2020). As regards minimum wages, Malaysia has extended the minimum wage to all migrant workers except domestic workers. Singapore, with the highest per capita income in the ASEAN region, has always shied away from a minimum wage for migrant workers, leaving the field open for exploitation by employers. The pandemic should be a wakeup call to Singapore to offer a better deal to migrant workers with decent wages and working conditions through improved legislation such as on a minimum wage and better labor protection.

Other structural features to be addressed are improved social protection, provision of decent working conditions, improved living conditions for migrant workers in line with recommended standards, and the need to recognize domestic work as work. Disseminating information to migrant workers and consulting with them is essential to generate a credible response now and in the recovery phase. It is also important to implement a more inclusive and equitable approach to health policies and access to healthcare.

Recalling the ASEAN (2020) labor ministers' recommendation, it is important to 'facilitate access' among all workers infected by Covid-19 to 'essential healthcare services and other relevant medical support as necessary and prevent discrimination against infected workers.' It is also important to ensure employers' compliance with all requirements for public health and occupational safety and health and communicate critical information to all workers, including migrant workers. Both countries should consider providing specific measures to facilitate visa extensions, adjust visa status and temporarily extend and/or renew work permits so that migrants do not fall into the undocumented category. In this sense, Malaysia has lagged behind.

In planning for the 'new normal' period, the two countries need to develop clear and enforceable guidelines for recruitment and deployment to counter possible malpractices by the private recruitment industry. Both Malaysia and Singapore should try to counter xenophobic and discriminatory attitudes against migrant workers. This is even more important in Singapore where public

policies are strengthening the divide between migrants housed in dormitories and local communities. Both countries should also introduce concrete steps and mechanisms to ensure access to justice for migrant workers whose rights have been violated.

Recommendations for Malaysia

It is important for Malaysia to extend wage protection and support services to migrant workers during the pandemic, enabling them to claim past due wages from employers when they were laid off. Given that 91 percent of migrant worker accommodation is below the required standard, the government and respective states should prioritize measures to ensure that all employers comply with the amended Workers' Minimum Standards of Housing and Amenities Act (Act 446). The government's decision to make a certificate of accommodation a prerequisite for employers who intend to hire new foreign workers as of 1 July 2021 is a good measure that must be enforced.

Adequate health coverage and access to health services for migrant workers should also receive priority. Employers should take responsibility for their workers' health insurance. The Malaysian Bar Council (2020) has urged the government to provide free Covid-19 testing to all migrants.

The government should also adhere to international standards and refrain from mass or collective deportation of migrant workers. The Malaysian Bar Council (2020) has urged the government to uphold the rights of all migrants irrespective of status and to consider imposing a temporary moratorium on arrests of undocumented migrants. The bilateral labor agreements it has signed with several migrant-origin countries provide a good option to negotiate voluntary returns that protect workers' dignity and ensure that all dues are paid in consultation with the home countries.

Finally, the Malaysian government should provide a platform for migrant workers to articulate their concerns without fear of retaliation and intimidation by employers or the government. It should not rearrest and deport workers such as Kabir from

Bangladesh for making factual statements about the treatment of migrant workers.

Recommendations for Singapore

Singapore should publicly acknowledge the significant contribution of temporary and low-skilled migrant workers to its prosperity and infrastructure and build public consensus on the need for such workers. This will serve to reduce the public stigma and discrimination against migrant workers.

Singapore's unilateral and employer-driven policies on migration are detrimental to the welfare and dignity of migrant workers as well as the interests of their countries of origin. It should consider entering into bilateral MOUs with migrant-origin countries to ensure better migration governance and protection of migrant workers. An obvious area of focus in this context is the hefty recruitment fees charged by recruitment agencies in migrant-origin countries and their licensed and unlicensed agents in Singapore, and resultant debt burdens (Au, 2020). The Singapore government should work with origin countries and strictly regulate local agents to minimize such costs. It should also implement the ILO (2019) principle that 'workers are not charged recruitment or related costs' as laid down in the General Principles and Operational Guidelines for Fair Recruitment.

Finally, the government should improve its labor protection for migrant workers and work with employers to ensure a fair deal for migrant workers—decent working and living conditions with decent minimum wages—and meet new accommodation standards. Singapore employers currently wield disproportionate power over migrant workers, given the employer-tied visa system. The government should allow workers to change jobs easily and promote worker mobility. At the same time, it must address the issue of low wages for migrant workers by imposing and enforcing a minimum wage law. It is unconscionable that a country with an annual per capita income of USD65,000 continues to tolerate the payment of subsistence wages to migrant workers.

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Annex

Table A1: Statistics for temporary work visit pass (PKLS) holders, by nationality and sector, June 2019

		Sector						
No.	*Nationality*	*Manufacturing*	*Construction*	*Plantation*	*Services*	*Agriculture*	*Domestic work*	*Total*
1	Indonesia	139,163	153,470	201,050	43,026	75,061	92,405	704,175
2	Bangladesh	207,394	216,880	30,938	93,651	19,951	115	568,929
3	Nepal	228,925	6,919	2,652	68,662	8,891	53	316,102
4	India	3,014	9,852	27,772	50,576	25,371	1,148	117,733
5	Myanmar	93,543	12,605	874	15,265	3,443	65	125,795
6	Pakistan	3,569	26,629	5,960	8,614	16,892	25	61,689
7	Philippines	4,399	2,653	3,111	6,275	3,695	32,277	52,410
8	Viet Nam	13,022	1,850	57	2,090	618	540	18,177
9	Thailand	170	689	394	11,215	1,913	310	14,691
10	China	1,163	6,322	7	4,906	20	233	12,651
11	Sri Lanka	4,051	279	164	1,279	150	566	6,489
12	Cambodia	1,009	116	100	583	326	1,411	3,545
13	Lao PDR	8	–	–	10	3	20	41
	Total	699,430	438,264	273,079	306,152	156,334	129,168	2,002,427

Note: – = nil. Lao PDR = Lao People's Democratic Republic. 1= Cumulative figures as of 30 June 2019.

Source: Ministry of Home Affairs, Malaysia.

Chapter 9

Irregular migration and Covid-19: The case of Pakistan

Nasir Iqbal

Introduction

In the wake of a debate on the migration-development-security nexus, the Covid-19 pandemic has left irregular migrants especially vulnerable from a socioeconomic and health perspective. Given that most irregular migrants across the world are employed in the informal sectors of their host countries, understanding the health, social and economic crises they have faced during the pandemic is a matter of urgent academic and policy concern. Over the last two decades, irregular migration has added to human suffering and vulnerability, putting pressure on host and home countries at three levels: micro (individual, with respect to human choices, behaviors and survival), meso (organizational, societal and structural), and macro (political and social policy).

This chapter explores irregular migration in terms of what drives people toward illegal channels when migrating from Pakistan to other countries, mainly in Europe.[1] We also examine the impact of the pandemic on the socioeconomic vulnerabilities of irregular migrant workers. The chapter is structured as follows. The second section provides an overview of migration trends in

[1]Irregular migrants include people who (i) enter a country without proper authorization, (ii) may have entered a country legally, but remained there after their visa or work permit expired, and (iii) are facilitated by migrant smugglers or human traffickers in cross-border movement.

Pakistan, focusing on irregular migration. The third section presents a brief literature review of the reasons underlying illegal migration channels. The fourth section explains the data and research methodology used. The fifth section presents the study's findings, based on qualitative interviews, and the last section gives policy recommendations that could facilitate irregular migrant workers during a pandemic.

Migration from Pakistan: Stylized facts

Pakistan provides an interesting locus from which to study irregular migration. Since 1970, more than 11 million people have proceeded abroad for employment, primarily to the Gulf Cooperation Council countries, which account for 96 percent of all migration. Approximately 52 percent of migrant workers are from Punjab, 26 percent from Khyber Pakhtunkhwa, and 9.5 percent from Sindh (Arif, Farooq & Iqbal, 2019; Bureau of Emigration and Overseas Employment, n.d.). Among skilled workers (42 percent), most are involved in semi-skilled jobs such as welding, secretarial work, masonry, carpentry, and plumbing. Another 39 percent of labor migration is composed of unskilled workers, primarily agricultural labor.

Apart from legal migration, there is extensive irregular migration from Pakistan, especially to Europe. The number of irregular migrants is difficult to establish, except when migrants are deported to Pakistan or apprehended as illegal residents of the host country. More than 85 percent of all deportees are from the Gulf. About 6,767 irregular migrants entered Europe in 2017. Iran deports over 20,000 Pakistani migrants every year. In the last four years, Iran has expelled 80,040 migrants, Turkey has deported 10,476 individuals, and the European Union has expelled more than 20,000 Pakistanis (Shah et al., 2020).

No existing policy comprehensively covers different types of migration nor is there a specific policy on irregular or illegal migration (Ministry of Overseas Pakistanis and Human Resource Development, 2016), although a few functional policy frameworks and institutions relate to this matter (Table 1). These organizations and policies address emigrants, immigrants and the

illegal and legal dimensions of migration. Understanding their role and practices is critical to understanding the social processes involving irregular migration. However, there are gaps in the role of informal institutions, in particular the social institutions on which this chapter focuses.

Table 1: Institutions and policies regulating international migration from Pakistan

Institutions	*Objectives*
Ministry of Interior	Registration, immigration, naturalization, regulation, entry and exit of foreigners, and anti-smuggling.
Migration Management Cell	Coordination with multiple ministries, organizations and stakeholders to combat human trafficking.
National Aliens Registration Authority	Registration and specification of unregistered foreigners.
Ministry of Labour, Manpower and Overseas Pakistan	Consists of three organizations functioning under its mandate: Overseas Pakistanis Foundation, Bureau of Emigration and Overseas Employment, and Overseas Employment Corporation. The second organization in particular is responsible for regulating and protecting Pakistani migrant workers.
Federal Investigation Agency	Responsible for investigating anti-terrorism, migrant smuggling and human trafficking.
Policies	***Objectives***
Naturalization Act 1926	Specifies rules and regulations concerning naturalization processes and eligibility criteria. Identifies definitional lacunae and ascertains application procedures.
Pakistan Citizenship Act 1951	Specifies rules for gaining and losing Pakistani citizenship.
Pakistan Citizenship Rules 1952	
Registration of Foreigners Act 1939	Specifies registration requirements for foreigners.
Foreigners Act 1946	Authorizes federal government to modify conditions for foreigners entering and leaving the country.
Passport Rules 1974	Specifies rules and regulations for acquiring Pakistani passports.
Emigration Rules 1979	Specifies rules and regulations for emigration from Pakistan. Deals with laws related to work licensing abroad, minimum wage levels and age.

Source: International Organization for Migration (2019).

Why irregular migration? Literature review

Pakistan is an exciting space to study irregular migration in contemporary and temporal settings, particularly during the Covid-19 crisis. Apart from legal migration (around 11 million people have proceeded abroad since 1970), there is large-scale irregular migration from Pakistan, especially to Europe. Articulating the plight of migrants who resort to illegal channels to migrate to European countries, especially Germany, Numan (2020) reiterates that the pandemic has deepened social, economic, political, and ethnic divides and inequalities.[2] The study shows how the Covid-19 crisis has underscored that access to acceptable standards of living and medical care has never been equitably distributed. Cross-border restrictions have left many irregular migrants clustered together in tight living spaces, where maintaining social distance is impossible.

The literature shows that various socioeconomic factors compel individuals to use illegal channels for migration. Iqbal (2020) shows that poor households were the most adversely affected by the pandemic and subsequent lockdowns because they lacked resources for self-sustenance. Among the poor are those who work in the informal sector—mainly daily-wage workers—and the agriculture sector.

Three factors explain irregular migration. These include (i) fundamental factors such as population growth, social disintegration, environmental crises, and economic reorganization; (ii) proximate factors that trigger migration, including migration, low income, unemployment, labor demand in host countries, social conflict, and viable opportunities overseas; and (iii) sustaining factors such as networks, resources and knowledge, travel opportunities, and legislation in the home and host countries (Numan, 2020).

A widely reported reason for migration is poverty (Arif et al., 2019). The Pakistan Action Plan for Combating Human Trafficking also identifies poverty as a fundamental reason for

[2]https://www.sapiens.org/culture/pakistan-covid-19/

irregular migration. Tahir, Kauser and Bury (2018) allude to the cognitive functioning and social preferences that compel people to improve their quality of life by migrating to a developed country. The high cost of acquiring a visa, the cost of compliance with legal procedures, and the need for legal documentation are other reasons for people to opt for irregular migration (Amjad, Arif & Iqbal, 2017; Shah et al., 2020).

The relationship between irregular migrants and recruiters, employers and institutions is asymmetrical. It is based on inequality whereby the latter exploits the former. In this regard, we focus on socio-spatial mobility, which binds irregular migrants and recruiters to one another. Dependency among social actors is the result of one social actor controlling the actions and resources of another. The notion of asymmetry is grounded in the fact that exploitation and expropriation are in the hands of one social actor, while another is at the receiving end. In this interplay among social actors and the asymmetries among them, some actors lose out because their autonomy is contingent on another's dependency. In this context, dependent actors are pushed into subservience so that they cannot exit from this vicious cycle, articulate their concerns or exert agency. We have focused on these themes in the section on visual analysis.

In Pakistan, different individuals and agents facilitate irregular migration, including labor recruiters, immigration lawyers, travel agents, brokers, housing providers, remittance agencies, and customs officials. Institutions such as the International Organization for Migration provide official resettlement. Nongovernment organizations also facilitate and provide assistance and shelter to migrants and refugees. These agents and individuals are grouped together and described as a new industry, the migration industry, and include migrant smugglers and human traffickers. The economic profits accrued by this industry not only justify its existence, but also add to its momentum.

Data and methodology

Using a descriptive approach, this study aims to articulate the relationship between irregular migration and legal discourse, social capital, coping mechanisms, and social security, among others. Chawla and Sondhi (2018) and Bryman (2012), among others, recommend this method. The proposed design provides a comprehensive and detailed explanation of the relationship between irregular migration and work, survival and life in the wake of the Covid-19 crisis.

The study uses various sources of data to examine the impact of the pandemic on irregular migrant workers' socioeconomic wellbeing. For trend analysis, we use secondary data from international organizations, local researchers and official websites. For impact analysis, we rely on primary data collected through telephone interviews with irregular migrants to Europe (Germany, Italy, the UK, and Greece) and North America. These interviews were conducted with respondents identified by key informants (social researchers with experience of the subject). The instrument used to conduct interviews was an interview guide.

Using purposive sampling, we conducted ten telephone interviews with irregular migrants who were (i) currently resident in the host country and (ii) had been affected socioeconomically and legally by the Covid-19 crisis. Another important criterion for selecting respondents was their absorption by the informal sector in their host country and whether their employability had been adversely affected by the pandemic. All respondents were asked for their informed consent once the study's objectives had been explained to them. The data was then recorded, transcribed, translated, and categorized by theme as suggested by Bold (2011). The qualitative content analysis tool provided a detailed explanation for understanding the social processes through which migrants go and, while doing so, how dependent they become on other social actors. For this reason, we have analyzed short documentaries using this tool.

Findings

Why migrate illegally?

Many irregular migrants have lost their jobs in the wake of the pandemic (although in a few cases, their jobs have been restored). Some of our key findings concerning the adverse circumstances they face revolve around the legality versus illegality of their status, economic vulnerability, the role of governments in host and home countries, the status of irregular migrants as the vulnerable poor, and how only social capital serves as social security. These findings help us reflect on the reasons for people's dependency on others in illegal migration, including the fact that both migrants' extended families and recruiters facilitate irregular migrants—many become dependent on recruiters for their physical survival en route to the host country, while some have even lost their lives.

Irregular migrants give several reasons for opting to use illegal migration channels:

- Due to widespread unemployment and very large wage differentials between developed and developing countries, people from remote, rural or peri-urban areas were more willing to opt for illegal migration.
- Before opting for illegal channels of migration, two respondents had tried legal channels and not been allowed to migrate. Consequently, they opted for illegal migration. In some cases, family unification was the impetus, with relatives who had already settled abroad extending their help.
- With a surplus of labor and lack of employment opportunities, respondents looked for avenues to secure a livelihood in foreign countries that reportedly offered higher wages (a strong incentive), based on information from their social networks.
- One respondent, a member of a left-wing party in Khyber Pakhtunkhwa, said he had been abducted from his native town in connection with his political activities. On being

released, he chose to migrate illegally because he was scared for his life. He was facilitated by people who had already undergone the process. Conflict and disaster in origin countries can also, therefore, trigger irregular migration.

– Cross-cultural differences, higher life expectancy, better business opportunities, and better living standards were other reasons cited by respondents who had opted to migrate.

Covid-19 and irregular migrants' economic vulnerabilities

While there are no exact statistics on the number of irregular migrants from Pakistan, UK government agencies estimate that around 1 million irregular migrants are currently resident in the UK. Among them are thousands of Pakistanis who are extremely vulnerable for the following reasons:

– Since irregular workers do not have work permits, they are compelled to work in the informal sector instead, often in poor conditions and on exploitative terms. With limited economic opportunities available to them, they often work for less than the minimum wage, but still manage to remit some money home to their families. The Covid-19 crisis has caused their situation to deteriorate, given that many migrant workers—including women and children—are employed by restaurants and takeaways or in the construction sector. With the entertainment, construction and hospitality sectors having been hit hardest by the lockdowns, many irregular migrants lost their income sources, especially those who did not have strong communal associations with the diaspora in their host country.

– The UK government has allocated large sums of money to support packages for its citizens and settled workers as well as offering grants and loans to businesses. However, these credit extension programs and social security packages are not available to irregular migrants.

– This economic deprivation is exacerbated by the fear of being identified as an irregular migrant worker and deported. Some migrant workers also fear they may be persecuted in their

> home country if they return. These include unsuccessful asylum seekers who were legally required to provide concrete evidence of the threats and intimidation they were likely to face if they were deported. In the UK, those who manage to provide enough verifiable proof receive GBP37.75 per week.

A Pakistani who had sought asylum unsuccessfully in Germany said:

> The status of illegality is a little tricky in Germany. There are few real 'illegals' in the country because most have a *Duldung*—not a residence permit, but just a temporary deportation suspension. Such people are neither legally nor illegally resident in Germany. In any case, many of them still live in shared accommodation with very little space and inadequate sanitary infrastructure. It is difficult to escape infection there once the virus has entered the place.

These excerpts reflect the layered nature of dependency. Asymmetrical dependencies are exacerbated when people opt for illegal ways to migrate and work in the informal sector of their host country, with no labor rights guaranteed. Thus, there is an intersectional aspect to this dependency. Additionally, the fear of being identified as an 'illegal migrant' compels them to remain on the fringes of society, increasing their dependence on employers and recruiters who may blackmail them.

The role of the state and government

For irregular migrants, the formality of institutions is the biggest obstacle to being classified as a recipient of social security. They remain deprived of credit extensions and are excluded from social security programs. Other severe implications exist in the form of greater structural dependence on exploitative employers and recruiters while armed with minimum negotiating power.

The situation is not as dire in Italy, as one 35-year-old irregular migrant working in the agriculture sector, cultivating vegetables since 2011, explained:

> Yes, I was infected and I was scared of dying. The attack was not as severe as [in other cases] all over Italy. The government was very supportive, providing instructions for standard operating procedures, but there isn't any system in place for irregular migrants. Social mobility was strictly disallowed, due to which I stayed home for a month. But I had to earn and send money home as well. Thankfully, my employer allowed me to work informally, but my hours were reduced and staggered. After a month of staying home, he allowed me to come to work 15 days a month; for the rest, I was at home. Considering the financial pressure we were facing, my employer also paid our full salaries during the Covid-19 [crisis].

A respondent working informally in the agriculture sector in Canada explained the facilitating role of the diaspora:

> Yes, informal systems such as the Pakistani diaspora or local civil society raised funds, identified us and reached out to us, but who are we? How can we be located and reached? Is there any guarantee that all of us are being helped by such informal networks? No. It is high time we are considered [eligible for] the state's programs as we have spent years here without being [adequately compensated] for the hard work we put in.

Reflecting on the situation during the Covid-19 crisis, a US-based migrant who eventually received a work permit claimed:

> Most people lost their jobs during the pandemic. I lost my job too, but the government paid me social security in the form of cash. Unlike others, I was a social security cash recipient because I had received a work permit a few years ago. Those who did not have work permits were working at different restaurants to survive.

Coping strategies, if any

The following excerpts suggest that migrant workers' coping strategies are based on social capital, which results from informal

networking with other irregular migrants, with some regular migrants or in general with the diaspora community, especially the Pakistani community. Their need for economic survival based on social capital is, again, transient and is a serious concern for the state of structural and asymmetrical dependencies.

Reflecting on the ad hocism of coping mechanisms, one Greece-based irregular migrant said:

> Coping strategies vary from one destination country to another. In some regions, we might find close relatives and take refuge with them, but in most cases, we spend time in safe houses while working in agricultural fields and earning minimum wage. Our [employers] manipulate us since we have no legal status. Some among us give up their aspirations and voluntarily return home. Some get refugee status in refugee camps. Let me reiterate: our situation is very bleak.

Speaking on the use of social capital as a coping strategy, one US-based irregular migrant responded:

> Yes, the Pakistani community supported people financially during the Covid-19 [crisis]. Owners of different buildings were lenient toward people in terms of [the] rent [they paid] during the pandemic.

Similarly, a Germany-based respondent said:

> People with legal status supported the irregular migrants who worked with them or for them as domestic help, in shops and small companies, or on agricultural land. Employers also provided them with monthly food staples and cash.

Securitization of borders

Strict surveillance and tough border security have restricted people's cross-border movement via legal routes—another reason that many people have opted for irregular migration. The pandemic is assumed to have reduced such mobility further, but respondents who work on small farms in Germany said that the

numbers had not decreased and that, despite the pandemic, people were still willing to risk their lives and migrate—some due to conflict, forcible eviction or despair, but mostly in hope of opportunities and the prospect of better living conditions abroad. One respondent said he wished that governments would relax their tough security measures and ease cross-border movement, which would also help reduce the risks associated with journeys that are already life-threatening for many such irregular migrants.

Restrictions on socio-spatial mobility is another critical aspect of border security. Such restrictions lead to subaltern identities being controlled and to constant surveillance and subservience, compounding irregular migrants' vulnerability to the point that they choose illegal channels to exercise their socio-spatial mobility.

The role of the Federal Investigation Agency

Respondents were critical of the role of the Federal Investigation Agency (FIA), which is tasked with combating human trafficking and the smuggling of migrants from Pakistan. In the context of illegal migration, its mandate includes protecting, prosecuting, punishing, and preventing human trafficking and illegal migration. The FIA claims having arrested 18 most-wanted traffickers and smugglers in 2018 and having finalized 6,343 cases out of a total of 7,037 cases.[3] It is, however, silent on the number of Pakistani migrants residing illegally overseas and on the health and socioeconomic issues they face.

The vulnerable poor

The notion of the 'vulnerable poor' interplays with the concepts of vulnerability, dependency and the structuration thesis. A report published by Rights and Security International (2020), titled *Covid-19: A toolkit for civil society partners in 2020*, provides a detailed classification of the vulnerable poor who have been adversely impacted by worldwide lockdowns. Speaking particularly of irregular migrants, the report outlines the severe

[3]http://www.fia.gov.pk/en/ahtc.php

consequences of the pandemic, which also reflect the situation faced by the respondents we interviewed:

- Lockdowns have led to high levels of migration from host to home countries, which, in addition to creating financial problems, have also increased the risk of transmitting infection.
- Many irregular migrants do not qualify for access to health services in their host country, such as under the UK's National Health Service. This excludes them from state social security programs as well as Covid-19 testing and prevention.

The need for practicable interventions

Our findings suggest the need for urgent and practical intervention. Possible measures include the following:

- With thousands of migrants—including from Pakistan—restricted to overcrowded living spaces due to lack of resources, both home and host countries must relax stringent documentation requirements as well as the criteria that qualify migrants for social security and healthcare, such as formal employment, legal status and work permits.
- Lockdowns have had disproportionate effects on the vulnerable poor. Institutionalized policies and frameworks compounded by the preventive measures applied under Covid-19 have already marginalized the poor. In this situation, mapping the vulnerable poor and bringing irregular migrants within the policy ambit is necessary.
- Building alliances between state institutions and civil society is also critical to devise socially responsive and contextual policies.
- Host countries must reconsider the cases of unsuccessful asylum seekers and relax border mobility restrictions.

Conclusion

We have attempted to highlight the reasons for illegal migration among people who have migrated to the West,

specifically to Greece, Germany, the UK, Italy, and North America. The study's respondents talked about the socioeconomic conditions that compelled them to opt for illegal migration. The chapter also describes the legal and socioeconomic challenges that respondents have faced, especially during the Covid-19 crisis. Based on these results, the government should intervene to alleviate the hardships of irregular migrants before subsequent waves of Covid-19 occur. Steps that could be taken include the following:

First, many countries, including Pakistan, have irregular migrants living in overcrowded spaces and lacking the resources to sustain themselves. Both origin and host countries must ease stringent conditions of documentation, formal employment, legal status, and work permits as qualifying criteria for eligibility for relief programs and packages.

Second, the impact of lockdowns has disproportionately affected the vulnerable poor. Institutionalized policies and frameworks, compounded by the preventive measures imposed under Covid-19, have further marginalized the poor. In this situation, mapping the vulnerable poor and bringing irregular migrants within the policy ambit is critical.

Third, building alliances between state institutions and civil society is necessary to devise socially responsive and contextual policies.

Finally, for failed asylum seekers, their cases must be reconsidered and host countries must ease cross-border mobility.

The study calls for adopting a more collaborative and sectoral approach that would include irregular migrants among the vulnerable poor in host countries' social security programs. The lack of data is another obstacle to identifying irregular migrants, which makes a geographic and social mapping critical. The role of networking and social capital could also be instrumental in a social mapping of the target population.

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Chapter 10

Gaps in Bangladesh's response to the emergency return and deportation of migrant workers during the Covid-19 pandemic

C. R. Abrar

The Covid-19 pandemic has thrown policymakers a grave challenge. Like most workers around the world, the pandemic has rendered migrant workers, particularly short-term contract workers in the Gulf states and Southeast Asia and members of their left-behind families, severely vulnerable. The return and deportation of tens of thousands of workers is testing the capacity of those in charge of the decision-making process and efficacy of state institutions.

The forced return of migrants during Covid-19 has become a matter of concern for intergovernmental bodies and civil society engaged in migration issues. The United Nations Network on Migration has urged states 'to suspend forced returns during the pandemic to protect the health of migrants and communities, and uphold the human rights of all migrants, regardless of status.' It has called for a halt to arbitrary expulsions and reiterated that their 'protection needs must be individually assessed; and that the rule of law and due process must be observed.' It reminded states that these obligations under international law 'can never be put on hold and are vital to any successful approach to combatting Covid-19 for the benefit of all' (International Organization for Migration, 2020).

A coalition of civil society organizations and trade unions, including Amnesty International (2020a) and Human Rights Watch, urged the governments of six Gulf states in separate memos to 'refrain from [the] arbitrary deportations of migrant workers… as a means to contain Covid-19.' Closer to home, five leading civil society organizations, including the Migrant Forum in Asia, noted that 'repatriation procedures have been undertaken hastily by countries of both origin and destination, without any proper redress mechanism… This is a gross violation of labor rights on a large scale.'[1]

There are legal, moral, and ethical issues with the way forced returns are being pursued by Gulf states and European countries. There is general agreement that forced returns can intensify public health risks for everyone. With overstretched public health systems, there is limited capacity in almost all countries of origin (COOs) to protect returnees and their communities through testing (on return), self-isolation, and institutional quarantines (Abrar, 2020b).

During 1 April–31 December 2020, a total of 408,408 Bangladeshi migrant workers returned home. Of this figure, 362,258 (88.7 percent) travelled using their passports and 46,150 (11.3 percent) returned with out-passes issued by Bangladeshi missions in the countries concerned. Among them, 49,826 (12.2 percent) were women migrant workers. The largest group of 119,172 (29 percent) workers returned from Saudi Arabia, 112,966 (28 percent) returned from the UAE, and 49,252 (12 percent) returned from Qatar. Some 24,457 workers returned from Oman (6 percent), Malaysia (4 percent), the Maldives (3.9 percent), and Kuwait (3.7 percent) each (International Organization for Migration, 2021).

[1]https://csactioncommittee.org/wp-content/uploads/2020/06/ENGLISH-Call-for-an-Urgent-Justice-Mechanism-for-Repatriated-Migrant-Workers.pdf. In addition, expressing concern that some CODs were pressuring COOs to take back the latter's nationals, Bangladesh Civil Society for Migrants (2020b), an alliance of 19 civil society organizations, implored the UN secretary-general to urge the CODs of the Gulf region to refrain from pursuing such a policy during the pandemic.

Like its counterparts in other COOs, the Government of Bangladesh is engaged in the challenging task of framing strategies to support distressed nationals in countries of destination (CODs). It is dealing with the repatriation/deportation of workers, including those with irregular status, organizing quarantine facilities, planning the reintegration of returnees, and negotiating the return of workers stranded in Bangladesh who wish to return to the CODs in which they work (Rashid, 2020).

This chapter begins with a discussion on Bangladesh government measures to alleviate the suffering of migrants in both COOs and CODs. It then focuses on three issues. First, it deals with the Bangladesh government's ad hoc responses in receiving workers, including their placement in quarantine facilities. Second, it critically analyzes how the Bangladesh government treated deported migrants with irregular status or those who served prison sentences in CODs. Third, it assesses Bangladesh's role in facilitating workers' return migrations to Saudi Arabia—those with new appointments who never left Bangladesh, and those with existing appointments who were visiting Bangladesh. The concluding section offers some reflections on the policies adopted.

Measures taken by the Bangladesh government

The Bangladesh government allocated BDT110 million to support distressed migrants. About BDT100 million had been used for emergency support through 32 Bangladeshi missions by 30 July. It also sent 100 tons of food, medicines and medical equipment to the Maldives to support Bangladeshi nationals—and alleviate pressure on the government of the Maldives ('Bangladesh Navy Ship', 2020). The Bangladesh government also distributed grants of BDT5,000 each to returning migrants—at a total cost of BDT27.9 million—to help cover the cost of returning home from the airport during the nationwide shutdown (Mahmud, 2020b; 'Migrant Workers Coming Home', 2020; 'Returnee Migrants to Get', 2020).

There was an additional allocation of BDT70 million for reintegration loans to workers adversely impacted by the pandemic. Of this figure, BDT20 million was transferred from the Wage Earners' Welfare Fund to the Migrant Welfare Bank. The balance amount of BDT5 billion is under process. The Bank will disburse the total amount to deserving return migrants arriving in Bangladesh after 1 March 2020 at a simple interest rate of 4 percent. Individual payouts are capped at BDT500,000 and the maximum repayment period is five years.[2]

A few other special measures were put in place for migrant workers. These included allowing irregular status-migrants who passed away in CODs to qualify for BDT300,000 in compensation (previously reserved only for regular status-migrants); separate facilities for Covid-19 tests; and from 1 July, extending the cover of all support programs, including the national social safety net being implemented by the Ministry of Disaster Management and Relief, to poor and deprived return migrants and their families.[3]

Insensitivity in dealing with return migrants

The Covid-19 situation exposed migrants to xenophobia in CODs and stigmatization, hatred, and vulnerability to ill treatment and discrimination in Bangladesh. Within a short time, the much celebrated 'remittance heroes' were turned into villains and branded as purveyors of the contagion.[4]

One of the first groups of Bangladeshi returnees (expatriates) taken to a quarantine facility for testing arrived from Italy on 14 March 2020. They complained of a lack of food and water, an uncomfortable environment, and inordinate delays in carrying out testing procedures. They said testing was unnecessary as they had already undergone similar procedures in Rome and Dubai and were found negative. The police were eventually involved

[2]http://www.pkb.gov.bd/site/policies/8bcdf282-5296-4a20-9e88-9463d4f823d2/

[3]The district commissioner and sub-district executive officers were instructed to implement the directive subject to the availability of funds at the subdistrict level. See 'Covid-19 Deaths' (2020).

[4]https://www.bd-pratidin.com/city/2020/06/26/542527

who brought the situation under control, persuading the group to co-operate. The tests were conducted as planned (Khasru, 2020).

Within hours, the foreign minister expressed displeasure at the expatriates' behavior, accused them of acting like *nawabzadas* (royalty) and held them responsible for 'importing' Covid-19 into Bangladesh. This was the first high-profile negative depiction of returning migrants. Days later, the state minister for health spoke with the media, saying a migrant from Italy had transmitted Covid-19 to their mother. However, the spread of the virus in Bangladesh cannot be pinpointed to any one case given that in the preceding three months, tens of thousands of people, including foreign nationals, sailors, businesspeople, government officials, students, and tourists arrived in Bangladesh (Khasru, 2020).

On 21 March, the foreign minister spoke again, saying the bodies of migrants, particularly those who had died of Covid-19 abroad, should not be sent to Bangladesh for burial. This was contrary to the World Health Organization's guidelines on disposing of bodies and lacked empathy. These incidents of the authorities holding migrants responsible contributed to the unintended consequences of stigmatization and hatred towards migrants in the wider community. The media reported numerous cases of threats, verbal abuse, and physical aggression against migrants across the country. It also carried reports of law enforcers extorting money from migrant households for not obeying the government's home quarantine instructions. There were also instances of putting up red flags at the homes of return migrants to identify them, which further reinforced the stigmatization process. In addition, there were reports of patient deaths due to hospitals' refusal to treat them on account of being migrants, even though they did not exhibit Covid-19 symptoms (Khasru, 2020).

Incarceration of return migrants

Soon after the outbreak of Covid-19, the Bangladesh government was under pressure from Gulf states to take back detained migrants. Bangladesh complied, also agreeing to bring back migrants awarded amnesty for irregular stay and those who

had served partial prison sentences. All these groups were housed in quarantine centers upon arrival in Bangladesh ('946 Bangladeshis Return', 2020; 'Army Given Charge', 2020). Return migrants were sent to prison from the quarantine center at a time when their families were trying to cope with the consequences of their [the migrant's] unexpected return from the Gulf. They were charged under Section 54 of the Code of Criminal Procedure 'for suspicious activities.' The investigating officer justified the move on the grounds that the migrants had become involved in criminal activities while abroad. Police sources told the media that the migrants could be charged with sabotage and terrorism, and the home minister said there were 'conspiracy' allegations against these individuals. The minister's sources also said the police felt these migrants had 'tarnished the image of the country abroad' and that they [the police] could not release them because they could potentially commit crimes in Bangladesh (Abrar, 2020c).

In court proceedings, the police justified their detention of migrants, saying they [migrants] had formed groups while in quarantine to commit 'anti-government and anti-state' activities, including violent acts.[5] The police appealed to detain the accused until their investigation was complete. However, the police have been unable to provide any credible evidence of the charges against return migrants. The investigating officer was quoted in the media saying, 'We don't know yet what the crimes are, but we have sent "inquiry slips" to the police stations of the villages they came from to probe on their behalf' (Islam, 2020). The officer in charge of the Turag police station said, 'It's only after the investigation that we will be able to ascertain who is guilty and who is not' (Abrar, 2020c).

This post-quarantine en masse incarceration of pardoned deported migrant workers has raised serious questions pertaining to the protection of the rights and liberties of individuals. For example, how can every member of a group of 219 persons hatch a conspiracy, even in groups, when they were likely just eager to return to their loved ones after a prolonged and difficult

[5]https://en.prothomalo.com/bangladesh/81-vietnam-returnees-sent-to-jail-for-group-based-anti-govt-protest

experience abroad? The police failed to provide any evidence of the alleged 'suspicious activities' in court to justify their plea for detention. They were also unable to establish any motive. It also raises the question as to whether returnees would hold a grudge against the government and state when the quarantine exercise was for their own safety and the safety of their loved ones.

The assumption that released returnees could commit 'murder, robbery, terrorism, and sabotage' and 'other violent acts' if released is also deeply flawed (Abrar, 2020c). Criminal records obtained from the Middle East show that barring one or two cases, migrants had been arrested in the CODs for administrative infractions—such as staying beyond their visas or work permits—or minor offences (for example, consuming alcohol, stealing tires, or selling mobile phone talk time.

Those arrested on petty narcotics charges, including the consumption of liquor, received state pardons that led to the commutation of their sentences. This was confirmed by Bangladesh embassy officials in Kuwait and Qatar. The counselor (labor) in Doha said that barring one or two murder convicts, most inmates were in jail on narcotics charges and had served two-thirds of their sentences. Some were convicted for selling mobile phone talk time, which is not a crime in Bangladesh. This raises the question of the fair application of law. The crimes were committed abroad, and all concerned had served more than half of their prison terms before being pardoned. They returned to Bangladesh as free persons, not under extradition arrangements. Under the laws of Bangladesh, individuals cannot be tried and punished for a crime more than once. Any attempt to do so is unlawful. This has been confirmed by noted jurists who viewed the state actions as 'entirely illegal' (Abrar, 2020c).

Article 27 of Bangladesh's constitution states that 'all citizens are equal before the law.' A key aim of a European Union project on migration being implemented by a leading NGO in Bangladesh is to 'assist returnees to become financially independent through tailored economic reintegration plan.'[6] It

[6]http://www.brac.net/program/migration/prottasha/

targets Bangladeshis with irregular status in Europe and has been duly cleared by the Bangladesh government. The question, therefore, is, why did the Bangladesh government adopt such draconian measures for this particular group of returnees who went abroad through legitimate channels, following procedures laid out by both COO and COD governments to earn a living, but were forced by circumstances to become irregular status-migrants? It is often the *kafeel* (employers) and facilitating agencies in CODs who create conditions that force migrants into irregular status without redress.

The arbitrary detention of return migrants took place again when 83 people (81 from Vietnam and 2 from Qatar) completed their 14-day mandatory quarantine. As before, the police claimed they had learnt from a 'secret source' that 'a conspiracy' was being hatched by the returnees. With a magistrate's approval, all of them were detained until the police could identify the 'real culprits' and what crimes had indeed been committed. Like the earlier cohort of returnees from the Gulf states, members were accused of 'tarnishing the image of the country' and thought to be on the verge of committing grievous offences 'against the state and the government' and the people (Anam, 2020; Abrar, 2020a).

One of the charges levelled against returning survivors of trafficking is that they had served sentences in Vietnam for violating laws there. The police asserted that 'all of them were in prison' and added that the Vietnamese authorities were instructed to take action against them ('81 Vietnam-Returnee Bangladeshis', 2020). However, none of them had ever been charged with offences in Vietnam, nor had they served prison sentences. Rather, many claimed to have unsuccessfully attempted to secure police protection in Vietnam.

Prior to this occurrence, almost a year of investigative reports in Bangladeshi national dailies shed light on the experiences of the victims of labor trafficking to Vietnam and Cambodia. They also provided valuable information about the modus operandi of registered recruiting agencies, informal *dalals*, and travel agencies. According to these reports, victims were promised jobs paying

monthly wages of USD500–600 for eight-hour days,[7] free food, accommodation, health insurance, work permit renewals after two years, and air tickets. On average, they paid USD4,700–5,900 to intermediaries in facilitation charges. In most instances, migrants were forced to sign blank papers which were then used to print their 'contracts'. The unsuspecting migrants were used as conduits for money laundering. Each was given a packet containing USD1,000–5,000 with instructions to pay their representatives on arrival at their destination. Refusals to sign blank documents or carry cash were countered with threats of cancelled flights and forfeited money (Palma, 2020; Anam, 2020).

On arrival in CODs, they were received by Bangladeshi *dalals* who confiscated their passports instead of representatives of sponsoring companies. They were accommodated in small rooms with poor sanitation facilities. Some were served pork and frog for meals while others had to arrange their own food. They were not given work permits, nor were they placed in their promised jobs. Both work and pay were intermittent. Those who managed to save a little were unable to send money home because they lacked documents and had to rely on their *dalals*, only to find that their money never reached their loved ones. Group members had to fend for themselves in illness. Generally, if someone fell ill, other workers helped pay for over-the-counter medication. Victims reported being subjected to regular torture and humiliation by their captors and were in a state of constant fear of abuse (Abrar, 2020a).

Poor work and living conditions, wanton mistreatment, the threat of reprisal from *dalals*, the inability to secure protection from local authorities, the absence of regular work permits, employment, and income, and the loss of personal documents, left the workers with little choice. In early June 2020, they escaped and presented themselves at the Bangladesh embassy in Hanoi. However, their problems remained largely unaddressed, and they staged a sit-in outside the embassy. Under pressure, the embassy and authorities provided them with accommodation

[7]With promises of USD1.5 per hour for overtime on regular days and USD2.5 on holidays.

before repatriating them to Bangladesh. On arrival, they were quarantined and then arrested.

As with the first cohort of detainees in March 2020, the police have been unable to produce any evidence to support claims that they [the returnees] were 'hatching a conspiracy against the state and the government' and planning to commit grievous crimes, including terrorism and sabotage. They were also accused of 'tarnishing the image of the state' (Abrar, 2020a). These allegations raise several issues. First, the migrants had not been in prison—the embassy would likely have reported any violation of its premises to local authorities. Second, suggesting that every member of a large group participated in a conspiracy while under army supervision during quarantine is a weak argument.

Bangladesh's ambassador to Vietnam has stressed the lack of employment opportunities for Bangladeshis in the country, but this has not stopped agents and their counterparts in Vietnam from bringing workers in. Little action has been taken to stem this trafficking corridor run by a syndicate of registered recruiting agencies, travel agencies, and *dalals*. Bangladesh's Bureau of Manpower, Employment, and Training is responsible for issuing clearance and smart cards to migrants. In this instance, it failed to secure the embassy's attestation, meaning it effectively facilitated human trafficking (Abrar, 2020a). Bangladesh has a zero-tolerance policy against human trafficking, but recent events suggest otherwise. The office of an alleged human trafficking kingpin was raided in Dhaka in mid-March 2020. The authorities merely confiscated 80 passports and issued a fine of BDT300,000. No arrests were made.[8]

A third group of 32 return migrants from Lebanon were arrested in Bangladesh after their quarantine on 13 September 2020. Like their predecessors from the Gulf states and Vietnam, they were charged under Section 54 of the Code of Criminal Procedure. Once again, the police convinced the magistrate that the migrants' crimes were grave and that they must remain incarcerated for the greater good and until evidence is found

[8]http://www.newagebd.net/print/article/102170

(Islam & Halder, 2020; 'Another Batch of Migrants', 2020). Desperate to escape the violence-prone Lebanon, these migrants turned to human smugglers to travel to Europe. While most people in the two groups already mentioned were released on bail between 14 September and 11 October, this group remains in detention.[9]

Despite widespread expressions of concern at home and abroad, Bangladesh has not yet explained the legal grounds upon which return migrants were detained in batches, or what it has gained by attempting to prosecute them. The government's decision to detain and prosecute return migrants and trafficking survivors triggered national and international concern (Bangladesh Civil Society for Migrants, 2020a; Migrant Forum in Asia, n.d.; Amnesty International, 2020). The Refugee and Migratory Movement Research Unit and two activist rights lawyers facilitated five return migrants' (Gulf states and Vietnam) submission of separate petitions to the high court. The petitions spoke of unsubstantiated charges and sought relief on the grounds of a judgement of the Appellate Division of the Supreme Court (24 April 2016) (Bangladesh Legal Aid and Services Trust, 2003) which said that accused persons could not be detained for more than fifteen days under Section 54. All proceedings against returnees from the Gulf states were dropped after the High Court issue a rule on 5 November 2020.

Organizing returns to countries of destination

Sending new and existing workers abroad has been a matter of concern for both the Bangladesh government and migrants themselves. Visa and iqama extension, securing flights, and Covid-19 clearance certificates have been major areas of hardship.

Securing extensions of visas/iqamas

Migrant workers who secured new employment but were waiting for their visas and *iqamas* to Saudi Arabia before the pandemic faced considerable uncertainty and barriers. An abrupt change in Saudi government policy, a lack of information and

[9]https://www.prothomalo.com/bangladesh/capital/

guidance from the Saudi embassy in Dhaka, and a breakdown of bilateral visa and iqama arrangements between the two countries contributed to migrants' hardships (Mahmud, 2020a).

Soon after the Covid-19 outbreak, a prompt initiative by both governments in July 2020 led to the auto-renewal of migrants' visas and work permits, including those stranded in Bangladesh. Some 200,000 Bangladeshi migrant workers in Saudi Arabia visited Bangladesh but were then stranded.[10] On three occasions, their visas and iqamas were automatically extended for seven months.[11] Problems arose when on 23 September, Saudi authorities announced that visas and work permits would no longer be automatically renewed after expiring on 30 September. From this point forward, workers wishing to work in Saudi Arabia had to secure the explicit consent of their *kafeels* (sponsors), which entailed procuring numerous authenticated documents from the Saudi end.

It is believed that the visas of 50,000 of 80,000 stranded workers expired on 30 September, leaving them to face an uncertain future.[12] In a submission to the Parliamentary Standing Committee on Overseas Employment, the Bangladesh Association of International Recruiting Agencies noted that its members had 86,000 work permits under process, 80 percent of which had expired. A small segment of workers (employed by large companies with dedicated human resource departments) were able to procure necessary documents, but the majority (employed by small companies and using individual *kafeels*) were in a difficult situation. In the past, the *kafeels* of tens of thousands of 'free visa' holders sponsored workers and renewed their documents against payments ranging from USD1,200 to USD1,700 (an illegal act under Saudi law, but practiced with

[10]https://bdnews24.com/bangladesh/2020/07/10/stranded-by-pandemic-bangladeshi-migrant-workers-grapple-with-uncertainty

[11]https://samakal.com/todays-print-edition/tp-first-page/article/200957516

[12]The Bangladesh Association of International Recruiting Agencies estimates that as many as a third of the total number of migrants stranded in Bangladesh may not be able to take up employment in Saudi Arabia. See https://www.dailyinqilab.com/article/329237/

impunity). Now, they either refuse or are reluctant to renew visas (Mahmud & Hasan, 2020).

While announcing no further visa and work permit auto-renewals, the Saudi embassy informed migrants that its approved visa centers would accept applications for visa issuance, extension, and cancellation. However, the 32 approved visa agents appeared to be unaware of this development.[13] Aware of the 30 September deadline, workers took to the streets demanding government intervention, which resulted in the Ministry of Foreign Affairs announcing on 23 September that the Saudi authorities had extended the deadline to 24 October.[14] However, the workers were then told that the arrangement was verbal and that they would have to continue to secure documents from their *kafeels* until the arrangement was formalized.

Some members of the cabinet have expressed concern that through their collective action, protesting migrants 'may be jeopardizing their chances to migrate.' Others have advised migrants 'not to be misled by politically motivated vested quarters' (Abrar, 2020d). These statements reflect decision-makers' lack of recognition of state institutions' inability to provide migrants with support, guidance, and direction. They also reveal that those in power have a limited appreciation of migrants' agency and their ability to think for themselves. Persons in power should internalize the fact that peaceful protests are an integral part of a democratic polity and migrants have every right to protest.

Issuance of Covid-19 certificates

In addition to securing flights and travel documents, migrants faced the challenging task of managing their Covid-19 clearance certificates. The Saudi authorities required migrants to secure

[13]One agent urged workers to wait until clear instructions arrived from the Saudi embassy, offering to hold migrants' passports at no cost. Others demanded USD350–470 upfront—the regular charge is about USD100 (Saudi-approved recruiting agency, personal communication, 23 September 2020).

[14]https://www.banglatribune.com/644355/

their certificates in very short timeframes.[15] Migrants either found the designated test center in Mohakhali closed at 5 PM or without electricity—which delayed reports and resulted in missed flights. In addition, inconsistent airline instructions also caused migrants to miss their flights.[16]

On 20 July, the Bangladesh government made Covid-19 clearance mandatory for all Bangladeshis leaving the country after 23 July. Passengers would have to furnish air tickets and passports when paying for the test. They were also required to provide samples 72 hours before flying and collect the result 24 hours before flying. The Bangladesh government designated just 16 centers for this purpose—three in Dhaka and 13 in district headquarters (of a total of 64 districts).

The Bangladesh government's decision rendered many government and private hospitals and clinics ineligible to issue Covid-19 certificates. Earlier, international passengers, including migrant workers, could obtain certificates relatively easily. Under the new stipulation, migrants were required to provide nasal or oral swabs to the office of the district civil surgeon rather than district hospitals. These offices were themselves surprised and unprepared for accommodating the thousands of migrants likely to require clearance certificates. Officials from the designated institutions in Dhaka are on record saying they lacked the capacity to bear the additional burden of conducting tests and delivering results within the stipulated period. The lack of IT specialists and equipment in these institutions was also identified as a major hindrance.[17] Conditions in designated test facilities outside Dhaka were even more challenging.

The new regulation also raised the testing fee from BDT200 to BDT3,500, a staggering increase of 1,650 percent. The health

[15]A number of cases were reported in which passengers had just a few hours to collect air tickets from Kawran Bazar and Covid-19 clearance certificates from Mohakhali.

[16]On 26 September, Arabian Airlines refused to carry 32 passengers on the grounds that their Covid-19 tests had not been conducted in government hospitals. Passengers claimed that airlines authorities had previously stated that tests from private facilities were acceptable. See https://mzamin.com/article.php?mzamin=244447&cat=1/

[17]https://www.aviationnewsbd.com/online/113365/

minister revised the figure to BDT1,500 for migrant workers but lowered it even further for all others (BDT200–100). The government did not provide any explanations for its actions in this regard. These hasty Covid-19 testing measures resulted in the cancellation of thousands of air tickets, including those of migrant workers who were due to leave Bangladesh in the days following the announcement.[18]

Arranging flights

Facing growing demand for flights, the civil aviation authorities of Bangladesh and Saudi Arabia exchanged requests for regular flights between the two countries. Bangladesh granted the Saudi request, but its own request for Bangladeshi carriers to carry passengers to and from Saudi Arabia was denied. Bangladesh therefore withdrew the landing permission of Arabian Airlines on 20 September 2020.[19] Faced with a lack of information and guidance and an inability to get the government's attention, migrants organized protest rallies outside the Saudi Airlines office, national press club, and the ministries of foreign affairs and expatriates' welfare and overseas employment. The complexity of re-establishing air communications and the resultant uncertainty also contributed to migrants' suffering.

The above narrative establishes that there has been a clear absence of policy coherence on the return of migrant workers both in COOs and CODs. The Saudi government's abrupt decision to not extend the auto-renewal of visas and work permits, its reticence in resuming regular flights, and its Dhaka mission's inability to communicate clear instructions to its own visa agents have exacerbated the plight of migrants.

The Bangladesh government's inability to chart out a clear departure strategy for return migrants has caused the latter severe hardship. The Bangladesh government did not negotiate modalities with its Saudi counterparts, it did not create a congenial and efficient 24-hour Covid-19 testing and reporting mechanism, it did not ensure coordination between various

[18]https://www.kalerkantho.com/online/national/2020/07/21/937386
[19]https://www.banglatribune.com/643393/

ministries and civil aviation, and it did not ensure the flow of updated and credible information to migrants and the media. Careful planning with stakeholder participation could have minimized these avoidable complications.

Concluding observations[20]

The core element in any repatriation negotiation between COOs and CODs should be upholding the rights and dignity of migrant workers. As primary frontline stakeholders, COO missions abroad are obligated to ensure the compliance of international labor standards in CODs. Thus, all concerned with repatriation—labor, health, and immigration authorities in CODs and COOs—must guarantee and verify that workers are not deported without receiving compensation, pending wages and other dues, testing and treatment for Covid-19, and identity and related documentation. If the clearance of outstanding dues is not possible due to prevailing conditions, CODs should commit to ensuring that employers will settle all outstanding claims as soon as the situation permits.

While negotiating returns, Bangladesh should insist that CODs allow workers unable to apply for visa extensions on time due to Covid-19, to do so. It should also assert the need for CODs to offer amnesty to migrants with irregular status to facilitate their return to Bangladesh. Finally, it should request that cases of workers forced into undocumented status—for example, by their *kafeels* or for other reasons—be investigated and the workers provided redress before repatriation.

Bangladesh should ensure that all migrant workers in CODs are tested for Covid-19 free-of-charge and regardless of symptoms prior to departure—as negotiated by Sri Lanka (Abrar, 2020b). Only workers testing negative should be permitted to board flights. CODs should ensure that migrant workers have

[20]For this section, the author acknowledges insights gained from 'Between Peril and Pandemic: MFA Policy Document 3' and deliberations of the RMMRU e-Symposium, 'Migrant Workers of South Asia: Experiences of Return, Repatriation and Deportation' on 24 June.

access to quarantine facilities while their test results are being processed.

Detained migrants should be dealt with on a case-by-case basis with due diligence by Bangladeshi missions and CODs' labor departments. Migrants' irregular status should not affect their ability to access Covid-19 testing and treatment prior to their return home.

Bangladesh's missions abroad should establish a mechanism for registering returning migrants. Among other things, it should record the personal details of workers—name, employer's address, type of work, skill level, outstanding wage claims, and end-of-service or other benefits, if any. Ideally, missions should secure a power of attorney document from workers claiming outstanding wages or unresolved labor disputes so that legal action can be pursued in their absence.

Bangladesh should insist that employers or COD governments bear the costs of air travel—forced deportees should not have to pay for return flights. Upon arrival in Bangladesh, returning migrant workers should be required to undergo Covid-19 tests even if they were tested before their flights—as done in the Philippines. Appropriate messages targeting returnees and their families should be developed to encourage them to maintain quarantine practices. A tracking and tracing mechanism should be put in place so that the government can monitor returnees' adherence to home quarantine rules. Suitable institutional quarantine facilities should be established for those exhibiting symptoms when they arrive. Those placed in such facilities should be provided with food and water, appropriate accommodation, including sleeping arrangements and clothing, protection for their baggage and possessions, and suitable medical treatment.

An effective reintegration policy necessitates the following:

– The government should address the stigmatization of returnees as virus carriers by developing and disseminating appropriate social messages.

- It should develop a database of returning workers, maintaining information on their personal profiles, skills, and language competence so that they can be linked with potential employers both at home and abroad.
- It should create opportunities for the re-skilling of migrants commensurate with potential demand within the country and abroad.
- It should encourage banks and other financial institutions to extend low-interest loans to returning migrants, teach financial literacy and basic bookkeeping, and help establish mechanisms to market their [migrants'] products.
- It should ensure that migrant workers (and their families) affected by the pandemic are given social protection through insurance programs and the Wage Earners' Welfare Fund.
- Despite good intentions and a plethora of policies and laws, migrant workers in Bangladesh have remained largely unprotected and underserved. Covid-19 has provided an opportunity to rectify this situation. Planning a comprehensive return and reintegration strategy for migrant workers would be a suitable place to begin.

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Chapter 11

Supporting overseas Filipino workers in the pandemic: An unfolding saga[1]

Maruja M. B. Asis

Introduction

For a migrant-origin country such as the Philippines, responding to the crippling impact of the Covid-19 pandemic also involves addressing the needs of the overseas Filipino population of 5.4 million, particularly overseas Filipino workers (OFWs).[2] As nonnationals in their countries of employment, in times of crisis the concerns of temporary migrant workers take a backseat to the concerns of the receiving countries' own citizens. Through its decades-long experience with overseas employment, the Philippine state has gained considerable experience in extending support and protection to OFWs caught in crisis situations in foreign countries.

These experiences have shaped the Philippines' efforts toward establishing an institutional and policy framework to protect OFWs in times of crisis. The global scale and life-threatening risks of Covid-19 have no precedents. This chapter

[1]I wish to thank Manuel Imson, president of Negrense Maritime Integrated Services, Inc., for his kind permission and support in conducting a survey of repatriated overseas Filipino workers who were quarantined on the company's shipping vessels. Thanks are also due to Ayza Rose Asis and Mary Con Kimberly Juanillo for assistance in data processing.

[2]The total number of emigrants in mid-2019 according to the United Nations Department of Economic and Social Affairs (https://migrationdataportal.org/data?i=stock_abs_&t=2019&cm49=608). The Commission on Filipinos Overseas' stock estimate of overseas Filipinos (as of 31 December 2013) is 10.2 million, of whom 4.2 million are temporary migrants, mostly OFWs (https://cfo.gov.ph/yearly-stock-estimation-of-overseas-filipinos/).

reviews the Philippines' ongoing and evolving response to meet the needs of OFWs affected by Covid-19. Amid the challenges, several good practices have emerged, which may be continued as part of migration governance beyond the pandemic.

The chapter begins by presenting data from a survey of repatriated OFWs, which provides background information on the circumstances surrounding their repatriation, their concerns and their immediate plans on returning to the Philippines. This is followed by a review of the repatriation framework that the Philippine government had fashioned, based on the lessons learned from the Gulf War of 1990/91 and other crises since then. The third part discusses the support extended to affected OFWs during the pandemic. The concluding section offers suggestions for the Philippines and underscores the need for regional and multilateral discussions.

OFWs' voices: Unprepared for an untimely return

At the outset of 2020, tension between the US and Iraq seemed to be heading into a full-scale conflict. To keep some 2,000–3,000 OFWs in Iraq out of harm's way, the Philippines moved to issue alert level 4, which calls for the mandatory repatriation of OFWs. Despite the directive, few OFWs heeded the government's call, concerned that they would return safely, but find themselves jobless in the Philippines (Jaymalin, 2020). The tension eased, however, which led to the mandatory repatriation order being lifted.

Just a month after, in February, the Philippines brought home 30 Filipinos from Wuhan, China, to where Covid-19 was traced—the first of many batches of repatriation. Between the last week of April and the first two weeks of May, the Scalabrini Migration Center, together with the Stella Maris Center-Manila and Negrense Marine Integrated Services Inc., conducted a survey of repatriated OFWs who were accommodated on the latter's vessels during quarantine. The survey aimed to collect more information about repatriated OFWs, their repatriation experience, and their concerns and plans over the next three months. The survey was based on convenience sampling. Due to restricted mobility and

physical distancing, it was not possible to conduct face-to-face interviews. A total of 285 questionnaires were completed by OFWs who had agreed to participate in the survey.

In terms of their profile, 52.5 percent were males and 47.5 percent were females. More than two thirds (69.4 percent) were under 40 years of age; those in the 30–39 age group comprised the largest group of all respondents. Half the respondents were married, 38 percent were single, and the rest were separated or widowed. Some 75 percent had children. Forty-six percent were the lone earner in their families. The respondents came from different parts of the country; the vast majority were from Luzon. Eighty-eight percent were land-based workers. At the time of data collection, most of the OFW arrivals were sea-based. The survey respondents were mostly land-based OFWs and, as such, the composition of respondents departs from the profile of repatriated OFWs during that time.

Among the land-based workers, 63 percent came from the Gulf Cooperation Council countries. Their occupational profile was diverse: domestic workers (21 percent), construction workers (21 percent), hotels or restaurants and sales (14 percent), professionals, managers or supervisors (12 percent), and others (31 percent). The share of domestic workers among the respondents may have included the repatriation of workers who were staying in shelters for distressed OFWs rather than those who had been displaced by the Covid-19 crisis.

About half (52 percent) said they had returned home because they had lost their jobs; 21 percent were due to return home because they had completed their contracts; the rest had other reasons. About three in four respondents described their preparation for return as 'difficult to very difficult.' Most (63 percent) had experienced delays due to travel restrictions, quarantine, flight delays, and employer requirements. For most respondents (62 percent), it was their employer or company who had paid for their airfare; 29 percent of respondents had paid for their own tickets. The Philippine government shouldered the airfare for a minority of respondents (2.2 percent).

Most respondents reported having no savings (60 percent). Further analysis of the data showed that such respondents were likely to be sole earners and older (aged 40–49 years old). When asked about their immediate plans in the next three months, a third of all respondents mentioned finding a job, either locally or overseas (Table 1). A similar share of respondents were interested in seeking local or overseas employment. During past crises, repatriated OFWs were not interested in local jobs—they treated their return to the Philippines as temporary and spent their time searching for job prospects abroad. It is also significant that 20 percent of respondents said they had no idea what to do next.

Table 1: Survey respondents' plan over the next three months

Plan for the next three months	*Percentage (n = 279)*
Find a job (local, overseas)	32.3
Rest, spend time with family	25.4
No idea	21.5
Business or farming	20.8
Total	100.0

In response to a question concerning the support they needed, most respondents said they needed capital to start a business, training and capacity development, and job referrals (Table 2). Most OFWs looked to themselves, their families and God to help them through the pandemic. The Overseas Workers Welfare Administration (OWWA) and local government units (LGUs) were the only government agencies they mentioned. For migrants, the OWWA is the most recognizable government agency. Considering that 82 percent of respondents were OWWA members, the figure expecting support from the OWWA could have been higher. As discussed below, other government agencies also offer support to OFWs, suggesting the need to disseminate information on nonmigration agencies that have programs specifically for pandemic-affected OFWs.

Table 2: Support needed by repatriated OFWs (multiple responses)

Type of support	*Percentage (n = 285)*
Capital to start a business	59.1
Referral for overseas employment	35.5
Referral for local employment	29.0
Training to start a business	25.7
Skills training	25.7
Legal assistance	17.1
Training to expand a business	11.2
Family counseling	8.7
Personal counseling	6.2
Other	9.8

A key insight from the survey is the interest expressed by repatriated OFWs in seeking local employment (Table 3).

Table 3: Expected sources of assistance (multiple responses)

Source of support	*Percentage (n = 285)*
Self	61.9
Family	59.4
God	56.8
OWWA	35.3
Employer or company	18.3
LGU	14.4
Agency	8.3

Dealing with crises: Repatriation framework

The Philippines' experience of keeping Filipinos out of harm's way during the first Gulf War in 1990/91 provided important lessons in developing institutions, policies and practices for preparedness and responses to OFW protection. The conflict between Kuwait and Iraq put at risk the lives of large numbers of foreign workers in the region. For the Philippine government, the challenge was not only to protect Filipinos in Kuwait, but also the many others in Saudi Arabia and throughout other neighboring countries in the region. Close to 30,000 OFWs were repatriated to the Philippines—the largest repatriation ever, until the Covid-19 crisis.

The lessons learned from the first Gulf War experience were put to good use in developing a framework of preparedness and emergency responses. Since then, several lessons have become standard practices, such as requiring companies hiring Filipino workers to submit an evacuation plan and for Philippine embassy personnel to act as one team under the leadership of the ambassador. Provisions for emergency repatriation found their way into the Migrant Workers and Overseas Filipinos Act 1995 (also known as the Republic Act or RA 8042)—the law providing for a comprehensive approach to protecting OFWs while they are still in the Philippines, while they are working abroad and on their return to the Philippines.

Given the temporary labor migration regime in Asia, RA 8042 rightly provides for the return and reintegration of Filipino workers after their temporary overseas employment. In addition, RA 8042 was discerning in anticipating emergencies not unlike the experience of the first Gulf War. Section 15 provides for the repatriation of OFWs, allocations for an emergency repatriation fund, and the designation of the OWWA as the lead agency in organizing the repatriation of OFWs.[3] The law also mandates Philippine embassies and consulates to adopt the one-country-

[3]Under Section 15 (Repatriation of Workers; Emergency Repatriation Fund): 'The repatriation of the worker and the transport of his personal belongings shall be the primary responsibility of the agency which recruited or deployed the worker overseas. All costs attendant to repatriation shall be borne by or charged to the agency concerned and/or its principal. Likewise, the repatriation of remains and transport of the personal belongings of a deceased worker and all costs attendant thereto shall be borne by the principal and/or local agency. However, in cases where the termination of employment is due solely to the fault of the worker, the principal/employer or agency shall not in any manner be responsible for the repatriation of the former and/or his belongings.

The Overseas Workers Welfare Administration (OWWA), in coordination with appropriate international agencies, shall undertake the repatriation of workers in cases of war, epidemic, disasters or calamities, natural or man-made, and other similar events without prejudice to reimbursement by the responsible principal or agency. However, in cases where the principal or recruitment agency cannot be identified, all costs attendant to repatriation shall be borne by the OWWA.

For this [these] purposes, there is hereby created and established an emergency repatriation fund under the administration control and supervision of the OWWA, initially to consist of one hundred million pesos (P100,000,000.00), inclusive of outstanding balances.'

team approach, with the ambassador as the lead, in coordinating efforts to respond to crises (Section 28).[4]

In 2010, RA 10022 amended RA 8042 for the purpose of strengthening the protection of OFWs. Rule XIII of the Omnibus Rules and Regulations Implementing the Migrant Workers and Overseas Filipinos Act of 1995, as amended by RA 10022, is devoted to the repatriation of workers. Section 5 specifically discusses emergency repatriation, which essentially reiterates the provision in RA 8042. The major change in RA 10022 is Section 8, which does not limit the emergency repatriation fund to PHP100 million if necessary.[5]

Indeed, other conflict-related crises surfaced in the Middle East in the 2000s and by then, RA 8042's provisions on repatriation in emergency situations guided the Philippines' response in assisting and protecting OFWs. These conflicts included the second Gulf War (which started with the invasion of Iraq in 2003 and eventually ended in 2011), the recurrent conflicts in Lebanon, and the war in Libya in 2011 and in Syria. In addition, natural disasters (the Great East Japan earthquake and the earthquake in Christchurch, New Zealand, both in 2011) and

[4]According to Section 28: 'Under the country-team approach, all officers, representatives and personnel of the Philippine government posted abroad regardless of their mother agencies shall, on a per country basis, act as one country-team with a mission under the leadership of the ambassador. In this regard, the ambassador may recommend to the Secretary of the Department of Foreign Affairs the recall of officers, representatives and personnel of the Philippine government posted abroad for acts inimical to the national interest such as, but not limited to, failure to provide the necessary services to protect the rights of overseas Filipinos.'

[5]Under Section 5 (Emergency Repatriation): 'The OWWA, in coordination with DFA, and in appropriate situations, with international agencies, shall undertake the repatriation of workers in cases of war, epidemic, disasters or calamities, natural or man-made, and other similar events without prejudice to reimbursement by the responsible principal or agency within sixty (60) days from notice. In such case, the POEA shall simultaneously identify and give notice to the agencies concerned.' Under Section 8 (Emergency Repatriation Fund): 'When repatriation becomes immediate and necessary, the OWWA shall advance the needed costs from the Emergency Repatriation Fund, without prejudice to reimbursement by the deploying agency and/or principal, or the worker in appropriate cases. Simultaneously, the POEA shall ask the concerned agency to work towards reimbursement of costs advanced by the OWWA. In cases where the cost of repatriation shall exceed One Hundred Million (P100,000,000.00) Pesos, the OWWA shall make representation with the Office of the President for immediate funding in excess of said amount.'

health scares such as the SARS and MERS-COV-SARS outbreaks raised concern and alarm about the protection of OFWs, but these did not require repatriation.

Over the years, the Philippines has devised additional guidelines for OFW protection onsite and for those at home. The Department of Foreign Affairs (DFA) and Department of Labor and Employment (DOLE) adopted a four-level crisis alert system to guide decisions on emergency repatriation and deployment restrictions. This was cited as a good practice in the Migrants Caught in Crisis (MICIC) Guidelines (MICIC Initiative, 2016).[6] Several manuals were developed by various Philippine agencies to finetune the country's repatriation protocols. In 2013, the Manual of Operations, Policies and Guidelines for the Philippine Overseas Labor Office (POLO) developed a section dedicated to the formation of a crisis management committee to ensure OFWs' 'safety, security and well-being during crisis, natural disasters, civil unrest, and war occurring on the jobsite.' The manual specifies the responsibilities of the POLO field teams in monitoring and assessing the situation onsite, implementing the assigned directives and working closely with the DFA on operational matters (DOLE, 2013).

This was followed by the launch of integrated and comprehensive support to OFWs repatriated due to crisis and emergency situations, known as 'Assist WELL' (Welfare, Employment, Legal, Livelihood) ('DOLE: Focused and comprehensive reintegration services', 2014). In 2015, the DFA, DOLE, Social Welfare and Development Department, and Health Department, as well as the Philippine Overseas Employment Administration (POEA) and OWWA, developed the Joint Manual of Operations in Providing Assistance to Migrant Workers and Overseas Filipinos. The manual aims to provide a 'unified

[6]The alert levels range from Alert Level 1 (Precautionary Phase)—a situation characterized by internal disturbance, instability, or external threat in the destination country, and Filipinos are advised to take the necessary precautions—to Alert Level 4 (Mandatory Phase), which is issued in the event of a full-blown internal conflict or external threat (https://micicinitiative.iom.int/micicinitiative/crisis-alert-system).

contingency plan that will safeguard overseas Filipinos in case of crises and other imminent danger' (DOLE, 2015).

This was followed by a joint memorandum circular on the 'Integrated Policy Guidelines and Procedures in the Conduct of Medical Repatriation of Overseas Filipinos', which involves the DFA, DOLE, Departments of Health, Interior and Local Government, and Social Welfare and Development, and the Manila International Airport Authority. This circular aims to strengthen inter-agency coordination and harmonize the agencies' policies and procedures for medical repatriation cases. However, the circular is premised on 'ordinary' medical repatriation, not a pandemic of the same magnitude as the Covid-19 crisis.[7]

Crises experiences have informed the Philippines' efforts toward building capabilities to develop preparedness and a response framework to support OFWs. Based on the migration governance index, a framework that examines well-developed areas of migration governance and areas that need further improvement in six policy domains, the Philippines has fared well in the policy domain of addressing the mobility dimensions of crises. The assessment takes note of the Philippines' 'comprehensive structure of regulations to protect and assist emigrants affected by crises and emergencies' (International Organization for Migration, 2018). These existing structures, regulations and practices have been useful, but also been challenged during the pandemic, as the next discussion will show.

Assistance extended to OFWs

As of 11 October 2020, the Philippines had recorded a total of 339,341 Covid-19 cases, including 39,945 active cases, 293,075 recoveries and 6,321 deaths (Department of Health, 2020). Among

[7]At the multilateral level, the MICIC Initiative was organized in response to the growing incidence of migrants being caught in crisis situations. The MICIC Initiative conducted six regional consultations in 2015 and 2016 to develop nonbinding principles and guidelines and to identify effective practices to help states and other stakeholders prepare and respond to migrants in difficult situations (see https://micicinitiative.iom.int/). The results of these consultations became the basis for *Guidelines to Protect Migrants in Countries Experiencing Conflict or Natural Disaster* (MICIC Initiative, 2016). The guidelines did not anticipate migrants being affected by a pandemic, however.

OFWs, as of 12 October 2020, the total number of cases had reached 11,082, of which 3,144 were undergoing treatment, 7,136 had recovered or been discharged, and 802 had died. This data comes from 80 countries and regions with Filipino Covid-19 cases (DFA, 2020).

The Philippine government's response to the pandemic demanded a comprehensive approach: the Inter-Agency Task Force (IATF) was formed in January 2020 to monitor the evolving situation in Wuhan, China.[8] On 8 March 2020, President Rodrigo Duterte issued Proclamation 922, declaring a state of national emergency due to the threat of Covid 19 and, as such, all government agencies were required to assist in responding to the crisis. Following the first evidence of community transmission on 12 March, President Duterte issued alert code red sublevel 2, which called for strict quarantine and travel ban measures at the community, municipal and provincial levels. On 13 March, quarantine was imposed on the National Capital Region, which was expanded to all of Luzon on 17 March. Thereafter, other regions in the country followed suit.

Varying levels of quarantine have been alternately relaxed and reimposed since then, depending on the rise and fall of new cases, recoveries and deaths. Under quarantine, the country was forced into immobility because public transportation was stopped and only allowed from June 2020—but not at full capacity because of physical distancing requirements. Similarly, travel by sea and air within the country was severely curtailed. In addition to travel restrictions, health screening and quarantine protocols hindered people's mobility in the country.

The government's *immediate* actions to support and protect OFWs in response to Covid-19 consisted of cash assistance and

[8]The IATF for Emerging Infection Diseases (IATF-EID) was created through Executive Order No. 168 in 2014 as a mechanism to assess, monitor, contain, control, and prevent the spread of any potential epidemic in the country. On 25 March 2020, it came up with the National Action Plan to implement a system for managing the Covid-19 situation. Other bodies were created later to oversee the enforcement of quarantine and to coordinate the government's multi-level response to the pandemic. The IATF-EID comprises all departments of the executive branch. President Duterte is the overall chairperson.

repatriation assistance. Before July 2020, there were hits and misses in implementing these forms of support as the government navigated its way through the multiple challenges posed by the pandemic.

In the initial months, the government's assistance focused largely on displaced OFWs onsite—those who had been terminated or were working shorter hours or under a no-work-no-pay arrangement—and those who had been repatriated to the Philippines.[9] The government estimated that about 300,000 OFWs had been displaced by the crisis, that is, had lost their jobs or were unable to return to work. As of 23 October 2020, the estimate went up to 495,434 displaced OFWs (Medenilla, 2020). Due to the extraordinary circumstances generated by the pandemic, the government had to recalibrate the existing repatriation framework and develop new measures to respond to the massive numbers of affected OFWs in different parts of the world.

In response to the job displacement of OFWs, the DOLE (2020b) provided a one-time financial assistance package of USD200 or PHP10,000 to support OFWs affected by the pandemic. Known as AKAP (Abot-Kamay ang Pagtulong or 'help is within reach'), the initial budget of PHP1.5 billion and an additional PHP1 billion fell short of covering OFWs in need. Many OFWs also complained about the program's coverage and eligibility criteria and the difficulty of accessing this support. As discussed later, AKAP received an additional budget of PHP2.5 billion in August 2020 to reach more OFWs who needed support.

The government began to repatriate affected OFWs, beginning with 30 Filipinos (including one infant) from Wuhan, China—the epicenter of Covid-19—in February 2020. However, it was in March that repatriation efforts were accelerated, even as countries began to close their borders. The repatriation involved the POLO or Philippine embassy in the destination country

[9]Affected OFWs also included those who had completed their contracts and were stranded in their destination countries, OFWs who were stranded in the Philippines (those unable to return to employment in their destination countries) and OFWs with new contracts who could not leave because of travel restrictions.

coordinating with the DOLE or OWWA (the main agency that oversees assistance to OFWs on arrival in Manila).

The initial repatriation of OFWs was marred by challenges in the destination countries and on arrival in the Philippines. Limited flights meant delays, cancellations, re-bookings, and more expenses. Once OFWs arrived in Manila, the lack of Covid-19 testing capacity slowed down the processing of arrivals, which subsequently delayed the release of test results and lengthened the quarantine period. At one point, the airports in Manila had to close for a week so as not to be overwhelmed by the growing demand for Covid-19 testing and to narrow the lag in the release of test results.

Up until August 2020, Manila airports were the only ones accepting international flights. As a result, all returning OFWs would arrive in Manila and stay in the metropolis to complete the mandatory 14-day quarantine. In the early months, due to delays in the release of test results, some OFWs had to spend more time in quarantine. The transfer from Manila to their home communities was another chokepoint because transportation by land, sea and air was restricted. In the latter part of May, onward travel to the provinces was complicated by the back-to-the-province program as well as the return of locally stranded individuals to their home communities, both of which were underway at around the same time. At one point, some 24,000 OFWs were stranded in Manila.

The return of OFWs (as well as internal migrants) to their home communities was further complicated by the concerns of LGUs, which perceived OFWs as potential sources of infection and lacked the facilities and personnel to address the specter of additional cases of infection. For a country known for valorizing OFWs, in the initial months, returning OFWs were stigmatized and feared as potential transmitters of Covid-19. Coordination between the IATF, the Department of the Interior and Local Government, and LGUs helped address the latter's concerns and, thereafter, returning OFWs faced fewer problems.

As regards the profile of repatriated OFWs, up until the first week of July 2020, there were more sea-based workers that were repatriated compared to land-based workers. This reflected the displacement of Filipinos working on cruise ships, which had had to stop operations due to the high incidence of infections onboard. From 13 July, land-based workers outnumbered sea-based workers among those who were repatriated.[10]

The government provides a range of support to OFWs once they are back in the Philippines: free testing on arrival at the airport, transfer from the airport to designated places for quarantine, accommodation and food during the quarantine period, and transfer to the airport or transportation hub for onward travel outside Metro Manila.[11] The logistics and coordination involved in ushering OFWs from arrival in Manila to their home communities falls to the OWWA. To keep track of the needs of repatriated OFWs, the OWWA used apps and maintained a social media presence to communicate with them. OFWs used the same platforms to convey their concerns and grievances.

In June 2020, the DOLE launched the OFW Assistance Information System (OASIS) to better manage the repatriation and assistance needed by OFWs, including RT-PCR testing, accommodation, meals, and transportation. Furthermore, the system can better link OFWs to programs and services offered by

[10]Data reported by OFW Help (2020a) shows that, as of 13 July 2020, of the 80,729 Filipinos repatriated, 42,674 were land-based. Note that the repatriation data reported by the Office of the Undersecretary for Migrant Workers Affairs (under the DFA) also includes non-OFWs, although OFWs comprise the great majority.

[11]The air ticket may be funded by any of the following: the Philippine government, the host government, employer or recruitment agency, or the OFW. Their accommodation and meals during quarantine are provided by the OWWA; for sea-based workers, the costs are shouldered by the manning agencies. At a meeting with nongovernment organizations, an OWWA representative said that doctors and medical personnel visit the accommodation where repatriated OFWs stay to provide health services. The OWWA has provided support to several mothers who gave birth on arrival in the Philippines. OFWs arriving from abroad are no longer required to observe the full 14-day quarantine. While waiting for their test results, their accommodation and food is provided by the OWWA; this may take three days if there are no delays. If they test positive, they are transferred to an isolation facility. If they test negative, they can get clearance and return home. For OFWs who live outside Metro Manila, the OWWA arranges their transfer to the airport or transport hub for onward travel to their intended destination (updated as of 22 December 2020).

other government agencies. The system requires OFWs to register, which can be done online or manually, and requires submissions to the DOLE, POLO, OWWA or POEA. Aside from information about flight details, travel dates, airport of origin and destination, and the date and time of estimated arrival in the Philippines, OFWs' personal information, work abroad, recruitment agency, and employment status provide background information that helps build a more detailed profile of repatriated OFWs and their location in the Philippines. This provides possibilities for secondary analysis of repatriated OFWs, subject to the rules of the Data Privacy Act of 2012. To date, information on repatriated OFWs is limited to total numbers and the share of land-based and sea-based workers.

After the hits and misses of the initial months, several developments and improvements occurred in the government's delivery of support to OFWs. As mentioned earlier, in August 2020, the cash assistance to OFWs received an injection of additional funds to cover more beneficiaries. However, the population of OFWs in need continues to be larger than that reached. As of 2 October, a total of 637,873 applications for AKAP had been received by the 40 Philippine overseas labor offices and OWWA field offices in the Philippines. Close to half (312,974) had been approved and almost 280,000 had received financial assistance (DOLE, 2020a). Even with the additional PHP2.5 billion funding for AKAP, there will still be a shortfall and the likelihood that other OFWs in need will not receive financial support.

In terms of the number of OFWs who have been repatriated, according to DOLE, as of 23 October 2020, 260,575 had been repatriated to the Philippines; 131,047 are awaiting repatriation and 104,813 have chosen to remain overseas (Medenilla, 2020). Data from OFW Help (2020b) indicates a higher number of repatriates: as of 13 December, 300,838 people had been repatriated since February 2020. Of the total, 90,621 (30.1 percent) are sea-based and 210,217 (69.9 percent) are land-based.[12]

[12]The government also arranged for the repatriation of the remains of over 300 OFWs who had died in Saudi Arabia, some due to Covid-19 and most due to natural causes. The

Following their return to the Philippines, many OFWs wonder what will become of them. As the next section shows, the emergency measures that were the focus of government support to the OWWA in the initial months have expanded to reintegration programs for repatriated OFWs. A basic criterion is active membership status at the time of repatriation since the Covid-19 outbreak was officially declared on 1 February 2020.

What awaits repatriated OFWs at home: Reintegration programs and services

The OWWA, the government agency dedicated to welfare programs and services for OFWs, has reintegration programs and support in place for returning OFWs, particularly for OFW members.[13] As mentioned above, the OWWA extended the same repatriation assistance to OFWs affected during the pandemic, that is, whether documented or not, whether active or inactive members. For active members, however, OWWA extends additional assistance—active members can access grants of PHP20,000 to start a business (inactive ones can avail up to PHP10,000).

At this time, the OWWA has launched a special scholarships program, known as Project EASE [Educational Assistance through Scholarship in Emergencies] 'to provide educational assistance to qualified college-level dependents of active OWWA member—OFWs whose employment [has been] affected by the Covid-19

lockdown prevented the immediate repatriation of the remains. The Saudi government wanted to bury those who had died of Covid-19 within 72 hours, but the Philippine government was able to secure approval for the repatriation of remains on the request of the families. International health regulations require that people who have died of infectious diseases, such as Covid-19, be cremated. Saudi Arabia, however, does not allow cremation. The repatriation was delayed because of the discussion within the IATF, negotiations with the Saudi government, securing clearance, and flight schedules. The first batch of remains arrived in Manila on 8 July 2020; the fifth batch arrived on 25 September; 320 bodies have been repatriated. On arrival in Manila, those who had died of Covid-19 were cremated, while the remains of those who had died of non-Covid causes were returned to their families.

[13]The OWWA's funds come from the USD25 membership contributions, investments, interest earned, and income from other sources. The membership contribution is per contract and must be renewed per contract or on expiration. An OWWA member is entitled to various benefits and services. In times of emergency, OWWA also extends assistance to nonmembers (that is, undocumented OFWs). OWWA members, however, are provided other services and support (see https://owwa.gov.ph/index.php/about-owwa/f-a-q).

pandemic.' The assistance comprises financial aid of up to PHP10,000 per year for a maximum of four years. For the first year, the project was allocated PHP400 million from the OWWA fund.[14]

Another scholarship program, Tabang OFWs [Help OFWs], a joint initiative between the DOLE and the Commission on Higher Education, is a one-time grant-in-aid of PHP30,000 to currently enrolled children of OFWs affected by the Covid-19 pandemic who must meet the admission and retention requirements of government and private colleges and universities. These criteria require that applicants be in good standing, that they are not recipients of other scholarship grants, and that they have been certified by the DOLE as a dependent of an OFW affected by Covid-19. A PHP1 billion package has been allocated to this program and will be distributed by DOLE regional offices to eligible grantees (DOLE, 2020c).

Within the OWWA, the National Reintegration Center for OFWs (NRCO) is tasked to support the return of OFWs and to help address the needs of returning OFWs in distress. The transfer of the NRCO from the DOLE to the OWWA in 2018 is expected to result in more effective reintegration policies and programs. Prior to the pandemic, the NRCO had been exploring programs and policies that could harness the developmental potential of return migration, that is, 'brain gain' or entrepreneurial ventures, without neglecting the welfare needs of displaced returnees.

Turning to the reintegration needs of displaced OFWs at this time, in September 2020, the OWWA-NRCO revived the Tulong Pangkabuhayan sa Pag-Unlad ng Samahang OFWs (PUSO)[15] Program [Livelihood Assistance to Help OFW Organizations]. This program offers a one-time livelihood financial grant, ranging from PHP150,000 to PHP1 million, to support start-ups or the expansion of existing businesses by OFW groups affected by the Covid-19 pandemic. The program aims to help displaced OFWs

[14]For details, see https://www.owwa.gov.ph/index.php/news/central/104-projectease. Note that in 'normal' times, the OWWA has a scholarship program for the dependents of OWWA members; this program has a grade requirement, among others, while for Project EASE, the academic requirement is a passing grade.

[15]'*Puso*' translates as 'heart' in English.

get back on their feet with viable businesses that will also jumpstart the economy.

To avail this program, OFWs should form groups of at least five members, with 80 percent of them comprising migrant workers who have been affected by the pandemic. These groups should be registered either as a workers' association by the DOLE, as a corporation by the Securities and Exchange Commission or as a cooperative by the Cooperative Development Authority. Furthermore, since this is a grant, the OWWA administrator Hans Cacdac has stressed that applications will be carefully screened and the OWWA will consider proposals that demonstrate a good chance of succeeding. As he explained, business proposals that are not appropriate during this period—such as for spas, salons or fitness centers—will not be considered. In addition to the financial grant, the OWWA will cooperate with identified volunteers and businesspeople, the Department of Trade and Industry (DTI), the Department of Agriculture (DA), and LGUs in implementing the program. The OWWA has allocated PHP500 million to this project (Terrazola, 2020).

Socioeconomic indicators during the pandemic point to extremely difficult conditions in the Philippines. Based on a national mobile phone survey conducted by the Social Weather Stations (2020), unemployment soared to a record high of 45.5 percent of adult respondents surveyed in July 2020; this declined to 39.5 percent in the 17–20 September 2020 survey. Despite the drop, the figure still translates into some 23.7 million jobless adults during this period. According to data from the Labor Force Survey of the Philippine Statistics Authority, high unemployment was at 17.6 percent in April, after which it declined to 10 percent in July and 8.7 percent in October. The October 2020 unemployment rate is equivalent to around 3.8 million unemployed Filipinos. In October 2019, the unemployment rate was lower at 4.6 percent (Philippine Statistics Authority, 2020).

Under these conditions, returning or repatriated OFWs went from one distressing situation to another. In past crises, repatriated OFWs had returned to the Philippines bent on seeking

opportunities elsewhere. This time, however, except for a few safe zones (such as Taiwan and South Korea), economic recovery in the Philippines and beyond is not yet in sight. Thus, the need for vital and sustainable reintegration programs and services cannot be overemphasized.

Considering the very constrained options, the crisis might well be an opportunity to finetune reintegration programs and services. The reintegration of OFWs was traditionally seen as a migration issue and thus a matter left in the hands of migration agencies, particularly the NRCO and OWWA. The whole-of-government approach in responding to the pandemic has also spilled over into reintegration support during the Covid-19 pandemic. As the snags and challenges of repatriation were addressed over the months, by July reintegration programs started receiving attention not just from the NRCO, OWWA and other migration stakeholders, but also from other government agencies.

The DA introduced specific windows of support for repatriated OFWs. The DA Agricultural Credit Policy Council identifies OFWs among its target beneficiaries for easy-terms loans. The Agri-Negosyo Loan Program offers zero-interest loans of up to PHP300,000 for individual borrowers, while registered micro and small enterprises may borrow PHP300,000–15 million. Loans are payable up to five years at zero interest. The Expanded SURE Aid and Recovery Project (SURE Covid-19) for micro and small enterprises provides working capital loans to agricultural, fishery and livestock enterprises, cooperatives and associations to continue operations amid the pandemic. Those eligible can avail zero-interest loans of up to PHP10 million, payable in five years. Both loan facilities may be used not just for production, but also for agri-fishery-related purposes, such as purchase of equipment or food-processing projects.

The DTI Small Business Corporation has also launched a PHP100 million loan facility for repatriated OFWs through its HEROES (Helping the Economy Recover through OFW Enterprise Startups) Program. OFWs may borrow from

PHP10,000 up to PHP100,000, free of interest and collateral, with 12–36-month payment terms (Small Business Corporation, n.d.).

OFWs can also access free online training programs to acquire new skills, offered by the Technical Education and Skills Development Authority (TESDA) and the DA Agricultural Training Institute. Both agencies have long been offering training programs; during the pandemic, both intensified and expanded their online offerings for all Filipinos. The increasing linkages between the OWWA-NRCO and DA should hopefully raise awareness among OFWs of the potential in agriculture—a low-hanging fruit as identified by the OECD and Scalalabrini Migration Center (2017) as an area for investment.

TESDA is probably more known among OFWs because some of them require TESDA certification when applying for overseas employment. In June, TESDA announced the initiative 'TESDA Abot Lahat Ang OFWs' [TESDA Reaches Out to All OFWs] to enable OFWs to access their preferred skills training and to match these with their employment or self-employment needs. Interested OFWs can download the TESDA app to register.[16] The registration database also provides more details about repatriated OFWs and can be a source of data for secondary analysis of repatriated OFWs.

The psychosocial aspects are important to consider in these extraordinary times. While in quarantine, the OWWA makes available counseling services as needed. UgatSandaline[17] is one example of online psychosocial support for OFWs and their families.[18] Various migration-related organizations have also developed information programs and services to support OFWs and their families.[19]

[16]https://www.tesda.gov.ph/News/Details/18950
[17]https://www.facebook.com/contactUGATSandaLine
[18]'*Ugat*' means 'root'; it is the name of a nongovernment organization, the Ugat Foundation Inc., that has been providing counseling services to OFWs and their families. '*Sandaline*' combines the Filipino term '*sandal*' (which means 'to lean on'; '*sandalan*' is something or someone to lean on) and the English term 'line'.
[19]The Scalalabrini Migration Center, for example, conducted a webinar series in July to discuss the challenges of the pandemic for children of OFWs, repatriated OFW families,

Conclusion

As in past crises, the Philippines has demonstrated responsiveness in extending support to OFWs in the face of a crippling pandemic and under challenging circumstances. Compared to the government's response (to locally stranded individuals such as internal migrants or local travelers who were unable to return to their home communities because of the lockdown), OFWs are receiving more attention and the response is more organized and better funded. The country's many experiences in reaching out to OFWs caught in crisis have helped inform the formulation of repatriation and reintegration services.

The huge numbers of OFWs affected by the pandemic, the continuing suspension of many economic activities and the uncertainty as to when this crisis will end, imply that vast resources are required to meet the needs of affected OFWs. The support extended thus far has addressed immediate or urgent needs, which falls short of providing lasting and sustainable solutions to the needs of displaced OFWs. For unprepared, displaced OFWs, finding employment is their primary objective, but most available support programs are skills training programs or loan programs and some grants to provide capital to start a business.

Amid the cloud of challenges, some silver linings can be seen:

– Out of necessity, government agencies were forced to adopt technology solutions for communication and service delivery. The use of social media and apps has demonstrated the value of technology for government agencies and OFWs to reach each other. OFW Help, for example, has organized several town meetings with OFWs in different destinations. The use of technology has enabled the OWWA to attend to the needs of OFWs and organize the delivery of services (Asis, 2020). Investment in equipment as well as capacity development of personnel in government agencies need to continue to

information on job and business prospects for OFWs, and opportunities in the agricultural sector. Infographics were developed based on the webinar topics.

maximize the contribution of information and communication technology to migration governance.

- The databases of OASIS, OWWA, TESDA and other government agencies whose programs have been accessed by repatriated OFWs provide the possibility of monitoring their post-return experiences and assessing the impact of support and programs on OFWs. The OWWA's grants programs have a monitoring component that could pave the way for evidence-based policymaking.
- The participation of nonmigration agencies such as the DA and DTI is an encouraging development. The road to sustainable reintegration requires a whole-of-government approach. Sustainable reintegration cannot be accomplished by migration agencies alone.

To date, the response to supporting OFWs during this pandemic seems largely a national response. Regional and multilateral discussions on the way forward in the pandemic and post-pandemic world have been missing thus far. For example, the Association of Southeast Asian Nations (ASEAN)'s Consensus on the Protection and Promotion of the Rights of Migrant Workers, which was signed by ASEAN leaders on 14 November 2017, has a section (55) that calls on sending and receiving states to cooperate in emergency situations: 'Cooperate and coordinate assistance to migrant workers who are caught in conflict or crisis situations in the Receiving States through the services of Embassies and Consular Offices of the Sending States and authorities in the Receiving State' (ASEAN Secretariat, 2018). This could be updated to include pandemics. As noted, the MICIC Initiative's *Guidelines to Protect Migrants in Countries Experiencing Conflict and Natural Disasters* and discussions in the Global Compact on Migration will have to consider cooperation and responsibility sharing during the Covid-19 and similar pandemics in the future.

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Chapter 12

Limits of state protection? Emigration states and interstate diplomacy during the Covid-19 pandemic in the Gulf

Froilan T. Malit, Jr. and Anuj Tiwari

Introduction

The pre-Covid-19 literature on migration emphasizes the embedded structural limits of emigration states' power and capacity to protect and promote the rights of migrant workers in vulnerable sectors (domestic work, construction and retail) in the Gulf Cooperation Council (GCC) region and beyond (see, for example, Rodriquez, 2010; Malit & Naufal, 2016; Ireland, 2018). These studies specifically assert that the limited structural power of emigration states is often linked to their competing domestic and foreign policy interests and constraints, given their dependence on remittances and limited or no sovereign power to influence political and policy infrastructure in the host country. As a result, emigration states often become 'powerless' and 'rule takers', thereby inevitably exacerbating the existing precarious condition of their migrant workers in the host country (Betts, 2011).

Other scholars, however, argue that emigration states are not passive sovereign actors and instead function as capitalistic states, deploying labor-export model policies to maximize the economic contribution (remittances, bilateral trade, human capital, etc.) of their migrant workers (McGovern, 2012; Rodriquez, 2010). Ruhs (2013) additionally says that emigration states face a 'numbers versus rights tradeoff policy dilemma' between securing their

economic interests and protecting their nationals, often adopting long-term strategic priorities in world politics. Gamlen (2014) further points to the emigration states' strategic creation of institutions to harness the economic power of diasporas to enhance their economic development and security by 'tapping', 'governing' and 'embracing' diasporas abroad.

Other recent scholarship has also explored how emigration states have strategically utilized migrant diasporas as 'political leverage' in the interstate bargaining process (Adamson & Tsourapas, 2020), especially in various authoritarian regime contexts in the Middle East (Tsourapas, 2018). These structural economic and political dependencies not only mirror the conflicting national interests and priorities of emigration states in world politics, but also contribute to their limited diplomatic bargaining power in host countries.

This chapter examines the effects of the Covid-19 pandemic on emigration states' migration governance framework, with a specific focus on onsite diplomatic practices and strategies in protecting migrant workers' rights and welfare in the UAE. Based on preliminary field interviews with senior officials, diaspora community leaders and migrant workers from the Philippines and Nepal, based in the UAE, we argue that the pandemic has not only further limited onsite diplomatic protection, but also largely widened the prevailing power asymmetry between states, thus collectively generating a spectrum of migrant vulnerabilities in the host country.

We divide this chapter into three sections. First, we examine the role of emigration states in the context of global migration diplomacy and crisis. Second, we explore two emigration states—the Philippines and Nepal—and investigate how the Covid-19 pandemic has had a structural impact on their foreign policy, specifically onsite diplomatic practices and strategies in the UAE, as well as on their domestic policy responses to the pandemic. Third, we analyze how emigration states' structural limits have simultaneously (dis)empowered community diasporic groups and, in some cases, produced political conflict both in virtual and

physical mobilization settings. The concluding section summarizes the potential effects of the pandemic on emigration states' bargaining power, interests and status in the UAE and the GCC countries.

Emigration states, diplomacy and the Covid-19 pandemic in the Gulf

In the global politics of migration, emigration states directly shape the volume, type and scale of migration flows; they also strongly influence interstate migration diplomacy interests in the host country (Fitzgerald, 2006; Rosenblum, 2004; Castles & Miller, 2003). In the 1990s, theoretical views on emigration states gradually developed when transnationalism and diaspora scholarship indicated the need for new scholarly inquiries into the 'transnational' nature of emigration states, or what Waldinger and Fitzgerald (2004) call 'trans-state' (Fitzgerald, 2006; Pearlman, 2014).

This scholarship has reinforced the empirical and theoretical relevance and roles of emigration states' policies and the extra-territorial administrative institutions (labor offices, consular support services, etc.), practices and mechanisms they use to engage with their diasporas, including developing diaspora investments and harnessing their skills through skill transfer programs to improve the countries' economic development (Gamlen, 2008, 2014; Agunias & Newland, 2013). These forms of engagement with emigration states' diaspora populations indicate that the state is not a passive sovereign actor in international migration. In contrast, the state unilaterally and aggressively pursues critical foreign labor policies, acts to secure national economic interests, reinforces state legitimacy and sovereign autonomy, and controls migrant diasporic populations in the host country.

Other studies have also emphasized emigration states' strategic economic priorities and interests—relative to welfare and rights protections for migrant workers—in global migration (see Rodriguez, 2010; Solomon, 2009; Lindio-McGovern, 2012; Gonzalez, 1998). They argue that emigration states such as the

Philippines and Nepal have actively facilitated a labor-export policy model to secure significant economic benefits (mainly remittances and bilateral trade), creating what Rodriguez (2010) calls a 'labor-brokerage' system in which emigration states strategically 'manufacture' migrant workers by developing complex intermediary institutions (such as international recruiters) to train, deploy and mobilize cheap labor, thus intensifying the inflow of remittances. These extra-territorial emigration institutions have transformed emigration states such as the Philippines into a de-territorialized state that seeks external legitimacy for its functional imperatives (Solomon, 2009). The nation's symbolic recognition of migrants as 'modern-day heroes' has further reinforced the extra-territorial authority of both the Philippine state and of citizen-state relations, underscoring migrants' obligation to their homeland's 'imagined communities' (Rodriguez, 2010; Gamlen, 2008; Solomon, 2009; Parrenas 2001; Anderson, 1991).

Many scholars have also explored the contradictory nature of emigration states' policies and practices, but often suggest that their economic interests outweigh any other forms of social protection for their migrant workers (see Rodriguez, 2010; Parrenas, 2001; Battistella, 1999). In analyzing the role of emigration states in neoliberal economies, Bach and Solomon (2008) point out the embedded contradiction in promoting globalization and establishing labor and human rights protections for migrant workers. They argue, for example, that the Philippines' Republic Act 8042 or Migrant Workers and Overseas Filipino Act 1995 (and its amended version RA 10022) reflect the contradiction because, despite their labor and welfare protection rhetoric, the underlying policies stem from the consecutive international public outcry over the deaths of migrant domestic workers. The state's legal reforms were only used as a symbolic move to legitimize the benevolent nature of the Philippine state but have remained limited to engendering labor and employment protection for overseas Filipino workers (OFWs) globally (see also Battistella, 1999).

The uneven political power asserted by labor-receiving states thus limits Philippine sovereignty and the state's ability to protect its citizens in the host country (Chi, 2008). This power dynamic shifts protection away from the hands of migrants themselves and normal diplomatic interaction (Rodriguez, 2010; Battistella, 1999), making migrant workers expendable commodities, vulnerable to legal exploitation within the global economy. Recent scholarship, however, has also pointed out the use of migrants as 'political leverage' or 'bargaining chips' in interstate diplomatic negotiations in the Middle East. Emigration states' ability to influence destination states often depends on their embedded positions in the international relations system (Koinova, 2018; Adamson & Tsourapas, 2020). Thus, emigration states increasingly view global migration as an integral element of interstate bargaining and diplomacy in world politics.

Despite the different political, social and economic analyses in the migration literature, emigration states indicate that the economic interests of the host country are the key motivator for emigration states in world politics. Yet some contend that their theoretical view of the state is problematic because it ignores 'the domestic, multi-level struggle sovereignty over what those interests are not only in the economic sense, but also in the realm of their political and ideological interests' (Fitzgerald, 2006, p. 261; see also Keohane and Nye, 1987). Others further view emigration states as rational, unitary actors pursuing their national interests while competing with other nation-states to maximize their economic benefits (Rodriguez, 2010; Lindio-McGovern, 2012).

The problem, however, is that the structural, legal, political, and economic constraints of emigration states such as the Philippines, specifically in the GCC states, were also largely implicit, thus making it difficult to discern the institutional and political logic of the state. Existing theoretical and empirical knowledge provides little insight into to why and how emigration states' onsite diplomatic practices and strategies (as in the case of the Philippines and Nepal) protect and govern their migrant populations even though there are visible structural and legal constraints in the host country. With the Covid-19 pandemic

proliferating across the UAE, the GCC region and beyond, an in-depth comparative study of emigration states such as the Philippines and Nepal could further shed light on how global crises shape—directly or indirectly—emigration states' strategic calculus of global migration in the GCC and beyond.

The Asia–Gulf migration corridor

In the GCC region, Asian emigration states such as the Philippines and Nepal have played a vital role in reducing structural labor shortages across various GCC labor markets. Gulf Labour Markets and Migration (2020) estimates that the GCC region holds 28 million migrant workers (out of 53 million), of which the Philippines (2.3 million) and Nepal (1.2 million) represent their migrant populations (Philippine Overseas Employment Agency, 2020; Mandal, 2020). In the GCC region, the Philippine state's migrant workforce has a significant presence in diverse strategic sectors including but not limited to fields such as medicine (specifically nursing), retail, domestic work, and other semi-skilled jobs in the service industries.

Nepal's migrant workforce, however, is largely concentrated in semi-skilled and low-skilled jobs, including construction, domestic work and retail. In effect, the Philippine state's migrant sectoral concentration is not only spread across skill levels, but it also tends to have a larger migrant volume and skilled sectoral concentration than Nepal across all GCC countries, including the UAE. This structural economic differentiation puts the Philippines in a better position, with greater bargaining power than Nepal in the GCC countries, given the degree—either perceived or real—of diplomatic proactiveness in the host country.

When the Covid-19 pandemic disrupted the GCC region—specifically, the UAE—emigration states were not only forced to deal with significant unemployment problems among migrant populations, but also had to rapidly facilitate the repatriation of their migrant workers. To prevent the spread of the virus, the GCC states immediately closed down the vast majority of migrant-dependent economic sectors, excluding essential sectors such as medical services and food. While the pandemic has

broadly affected almost all GCC economic sectors, the degree of diplomatic protection and intervention vis-à-vis migrant workers varies across emigration states, thus exposing migrant workers to different levels of onsite diplomatic protection mechanisms extended by their respective state embassies within the UAE and other GCC states.

The following section compares how two Asian emigration states—the Philippines and Nepal—have responded to the Covid-19 pandemic. Both their institutional and political responses in the UAE and in their respective home countries are emphasized. These particular states were chosen given their degree of institutional maturity, diplomatic influence, and migrant sectoral spread and concentration across the UAE's labor markets. Both states also consider the UAE the top migrant destination in the GCC labor market and beyond.

The Philippines, for example, is largely viewed as being more diplomatically proactive, with a strong institutional, legal and political framework on migration governance issues (Mendoza & Ruiz, 2007). Relative to the Philippine state's spread of global diplomatic missions and migration stocks in the Gulf, Nepal is largely viewed as being the opposite. Its attempts to emulate the Philippines' key migration governance practices in dealing with migration governance issues abroad have met with limited execution The selected case studies aim to not only offer diverse responses among Asian emigration states, but also to highlight the various (albeit similar) multilevel degrees of migrant precariousness despite multiple onsite diplomatic strategies in the UAE.

The Philippines

When the pandemic began to spread quickly in the UAE in March 2020, the government immediately imposed domestic policies to restrict the spread of the virus, significantly affecting various migrant-dependent sectors (retail, construction and other service-based sectors). As the top destination for Filipino workers, the Philippine state's diplomatic missions in the UAE faced a critical challenge as massive unemployment among OFWs increased. As one Filipino official (whom we interviewed

remotely during the pandemic) said: 'We became a counseling institution, since recruitment and deployment have stopped in the UAE and across the Gulf countries' (Rights Corridor, 2021). Across the Gulf cities, Alsharif and Malit (2020) have looked at the differential, limited state assistance offered by onsite diplomatic missions (embassies and consulates) to their migrant workers due to GCC states' domestic policies on lockdowns and mobility constraints.

These problems have not only challenged the Philippine state's onsite diplomatic embassies and consulates—as evidenced by the number of increasing labor complaints—but also affected their overall institutional ability to exercise migration diplomacy to demand further assistance from the UAE government. In fact, the Philippine state's 'one-country team approach'[1] (collectively involving the departments of labor and employment, foreign affairs, and social welfare and development) in the UAE has struggled to exercise institutional agency due to the very limited number of diplomatic staff members,[2] which has prevented them from delivering onsite diplomatic protection services via social welfare services (mediation, counseling, case filing, and translation) to OFWs.

Since the large proportion of unemployed OFWs demanded diverse assistance (counseling, financial support and shelter), the UAE government's closures and policies of restricting diplomatic missions' onsite labor protection services between March and August 2020 inevitably constrained the Philippine state's onsite diplomatic power to constitutionally assist OFWs in distress. The

[1]The Philippine state's foreign policy approach revolves around the concept of a 'one-country team' led by the Philippine ambassador in the host state. This diplomatic strategy aims to promptly and efficiently extend protection and welfare services to Filipino migrants in host states by centralizing various interagency services via the Department of Labor and Employment (Philippine Overseas Labor Office) (POLO) and its affiliated agencies, namely the Overseas Workers Welfare Administration (OWWA), Philippine Overseas Employment Administration and the Department of Foreign Affairs (embassy and consulate).

[2]Philippine diplomatic missions exist in Abu Dhabi (embassy) and Dubai (consulate), with more than 20 embassy staff officials (including local staff) dealing with migration-related issues. These officials include those in the Assistance to Nationals, POLO and OWWA units, comprising diplomats, labor attaches, assistant labor attaches, social welfare attaches, and welfare officers on the ground.

Covid-19 pandemic has not only conditioned the institutional agency of emigration states and their onsite diplomatic missions, but also reinforced their precarious and powerless status in the host country.

However, once the UAE's domestic market reopened and lockdowns were lifted in August 2020, the Philippine state found that its onsite diplomatic practices and strategies were not only regulated by the host country's sovereign regulations but were also conditional on domestic economic contexts. As the Covid-19 pandemic continued to disrupt its labor market, the UAE's Ministry of Human Resources and Emiratization (MOHRE) has also aggressively passed a ministerial decree empowering employers to revise existing employment contracts with migrants, specifically with reference to their wages and contract types (full-time or part-time) to stabilize their financial status.

This policy has not only empowered and increased UAE-based employers' bargaining power over migrant workers, but also led to the rise of virtual labor complaints filed by OFWs in the UAE-based POLO offices within diplomatic missions, as well as the MOHRE's labor complaint system (Tasheel office). These institutional and economic reforms both symbolically reinforce the UAE state's commitment to established labor regulations as well as its strategic economic interests to stabilize competing interests between employers and migrant workers, given the country's exceptional economic situation.

As the rate of Covid-19 cases intensifies, along with the increasing number of growing unemployed Filipino workers (undocumented, stranded Filipino workers, including those with children born out of wedlock), the Philippine state's onsite diplomatic mission has continued to struggle to repatriate Filipino workers in distress. It also faces significant financial difficulty in funding the repatriation of workers, as well as providing various relief goods (such as food) to ameliorate the suffering of OFWs linked to the UAE ministerial decree reform.

More importantly, as a result of the complex effects of UAE legislative and economic reforms, the Philippine state and its

diplomatic missions faced not only interagency tension and politics (between the labor and foreign affairs departments), but also significant hurdles to their potential institutional capacity to extend the necessary protection to OFWs in the UAE and other GCC countries. These institutional constraints not only reflect the complex effect of Covid-19 on the onsite institutional capacities of Philippine diplomatic missions, but also expose the structural limits of Philippine diplomacy in protecting the rights and welfare of migrant workers during the pandemic.

In turn, as the pandemic proliferates across UAE sectors linked to OFW employment, the Philippine state's onsite diplomatic missions have increasingly become overburdened with various labor and employment-related cases. In the past, the UAE and other emigration states—via regional consultative platforms such as the Abu Dhabi Dialogue—had jointly identified bilateral and regional commitments to address migrant labor issues. However, with Covid-19 spreading across the UAE and other GCC countries, emigration states such as the Philippines were not able to fully leverage their sectoral and diplomatic power due to the shifting national priorities and policies (such as localization) of the UAE government.

For example, the UAE government has launched multiple amnesty initiatives to encourage irregular migrant workers—including Filipino workers—to return to the Philippines in an attempt to reduce the high proportion of irregular migrant workers across the UAE labor market. To quote an MOHRE official: 'The UAE MOHRE is looking into revising current partnerships concerning labor relations with nations refusing to cooperate with evacuation measures undertaken by the UAE to repatriate private sector expatriates who wish to return home' ('Coronavirus: UAE Reviewing Labor Relations', 2020). This statement not only diplomatically signals a warning to noncompliant emigration states, but also broadly signals the shifting power politics around migrant labor between emigration and GCC states during the pandemic.

Nepal

Similar to the Philippine state's case, the Nepali state and its onsite diplomatic mission has dealt with structural constraints to protecting migrant workers during the Covid-19 pandemic. As the pandemic spread, disrupting the UAE labor market, Nepali migrant workers also inevitably faced unemployment across sectors, which affected the capacities of frontline Nepali diplomatic missions (embassies and consulates) to provide labor and social welfare protection. In the UAE, the Nepali embassy and consulate host only 16 frontline diplomatic staff members (including seven local staff) dealing with migration-related issues, including labor attaches and diplomats in the host country.

When the pandemic disrupted UAE sectors linked to Nepali migrant employment, these diplomatic missions faced similar difficulties to the Philippines in upholding migrant workers' contractual rights. The UAE's domestic policy lockdowns and mobility constraints precluded the Nepali diplomatic missions from helping resolve Nepali workers' labor complaints in the MOHRE system. This domestic security context also constrained the Nepali state in helping migrant workers seeking labor mediation, conciliation or counseling within its diplomatic missions. More importantly, the UAE MOHRE's physical and virtual closure of labor complaints (Tasheel) offices left Nepal—and other emigration states—powerless to assist its migrant populations, given its weak diplomatic institutional protection services. Inevitably, Nepal became a rule taker throughout the pandemic, given its limited ability to negotiate for additional protection for its nationals in host countries.

As an alternative, the Nepali state has mobilized local diaspora communities such as the Nepali Association in the UAE to indirectly address critical issues among Nepali migrants in distress, including unfair wage cuts and lack of food and shelter, among other things, which the Nepali state has broadly failed to provide.[3] These domestic political restrictions not only exacerbate

[3]Others also failed to access the informal labor market in the UAE, given that the UAE police strongly upheld social distancing protocols with certain economic penalties.

the limited and, to an extent, dysfunctional diplomatic assistance provided by the Nepali state in the UAE, but also expose the degree of its proactiveness—relative to other emigration states in the UAE and GCC—in dealing with Nepali migrant workers' precariousness in the host country.

Apart from its onsite structural constraints in the UAE, the Nepali state in Nepal has also attempted to create institutional structures to respond to the pandemic's impact on its migrants, often with little coordination success. Following the infection spike in March 2020, the Nepali state initially established a high-level taskforce to curb the virus surge. Shortly after, this was replaced by the Covid-19 Crisis Management Centre under the leadership of the deputy prime minister.[4] Unlike the Philippine state, Nepal appeared to respond to the pandemic relatively late and only mobilized its government apparatus after three months of the government taking Covid-19 seriously. This dysfunctional state response made it more difficult for onsite Nepali diplomatic missions in the UAE to effectively repatriate stranded or distressed Nepali migrant workers from the UAE and other destination countries abroad.

Nepal also attempted to establish holding centers by diffusing its institutional Covid-19 preventative structures in three districts of the Kathmandu valley, where returning migrants had to stay until their swab-test results arrived (in case of a negative outcome, they would be transported to their place of residence). The Nepali state was also forced to mobilize other government institutions such as the Ministry of Foreign Affairs to host a series of meetings with GCC countries such as the UAE to facilitate the stay or return of Nepali migrants. However, this often failed due to lack of concrete repatriation plans. This lack of institutional direction and leadership led Nepal-based civil society groups—specifically the

[4]The center has published at least 39 directives to all sectors on how to deal with the pandemic. However, the minister for labor, employment and social security was excluded from the committee. This clearly shows what priority the Government of Nepal accords the security of in-country citizens. In a recent interview, the minister in question expressed his dissatisfaction over the exclusion, which he blamed for having limited his role in the effective management of Nepali migrant workers.

Law and Policy Forum for Social Justice—to file a case against the government through the Supreme Court of Nepal.

This decision forced the Nepali state to use the Foreign Employment Welfare Fund to quickly repatriate migrant workers. Unfortunately, domestic opposition between the Nepali state and Supreme Court ensued, whereby the state defied the court's verdict to maintain the state budget. This outcome forced many Nepali migrants to unilaterally cover the cost of their repatriation from the UAE or GCC to Nepal. As of 26 October 2020, more than 116,000 Nepali workers had been repatriated and this figure is expected to increase over time. In other words, the lack of domestic state strategies in Nepal has not only affected the overall institutional, diplomatic and political capacities and leverage of Nepali diplomatic missions in the UAE, but also reinforced the structural weakness and inadequacy of the Nepali state's existing protection infrastructure for migrant workers both at home and abroad.

Politically speaking, the Covid-19 pandemic has also challenged Nepali state institutions' ability to prioritize migration within their national political agendas. As mentioned above, the pandemic forced the state to create a high-level taskforce, established under the leadership of the deputy prime minister and including the ministers for home affairs, education, defense, trade, foreign affairs, agriculture, health, industry and tourism, and finance; others were to be called whenever necessary. The delay in state decisions (by at least three months) linked to repatriation funds for migration workers (excluding undocumented workers) reflects the weak coordination and power politics within the Nepali state.

The parliamentary committee on labor and employment repeatedly called on the Nepali state to lay out repatriation plans in response to the crisis faced by Nepali migrant workers in destination countries. However, the state and its corresponding agencies strategically delayed these decisions and, in most cases, restricted the number of returning Nepalis to domestically protect the state budget and limit the spread of the virus through returning workers. The institutional inconsistencies and

inadequacies of Nepali diplomatic missions not only reflect domestic political struggles and power politics within Nepal, but also highlight the deep-seated structural, institutional and diplomatic vulnerabilities of Nepali migrants across the Nepal–GCC migration corridor.

Emigration states and diaspora community groups in the UAE

Unlike other GCC countries, the UAE has continued to impose restrictive policies on nonstate actors, including migrant diaspora and community associations. With the UAE's long domestic lockdowns and mobility restrictions, the capacities of emigration states' diplomatic missions as well as of the UAE government have become very limited. Previous studies have pointed out the securitization of nonstate actors in the UAE as well as their difficulty in organizing sociopolitical initiatives related to human rights and labor rights (Malit & Knowles, 2020). In Dubai, for example, the Community Development Authority has warned community diaspora groups to comply with emirate registration policies to avoid institutional sanctions.

Perceived bureaucratic requirements, combined with costly registration and lack of political connections (*wasta*), have precluded many community diaspora groups from registering with the emigration states' diplomatic missions, thus forcing many to organize in the form of virtual communities through social media platforms such as Facebook, WhatsApp and Twitter. With the Covid-19 pandemic, diaspora community groups (including individual and community-level initiatives) have become vital partners for emigration states and the host UAE state. This has led them to develop ethnic diaspora volunteer groups to enable access to various migrant diasporas during the initial wave of the pandemic.

With such restrictive domestic mobility policies in the UAE, the pandemic has also underscored the limited capacity of emigration states' onsite diplomatic bureaucrats to extend protection to migrant workers in times of crisis. Thus, the role of local community diaspora groups as 'institutional conduits' has become even more apparent. For example, the Philippine

embassy has, via POLO (the government arm of the Department of Labor and Employment) provided limited cash assistance worth USD200 as well as food relief to Filipino migrant workers whose employment was terminated due to the pandemic.[5]

By partnering with Filipino community groups and other ethnic and professional associations in the UAE, the Philippine state was able to effectively reach OFWs across the UAE, including those in remote emirates. The Nepali government, however, offered no temporary cash assistance to migrant workers and instead cooperated with selected Nepali diaspora groups—specifically the Nepali Association in the UAE—to offer temporary relief (food, housing) to migrant workers. While community diaspora groups were precluded from operating before the pandemic struck, the UAE has not only relaxed its institutional approach toward such groups, but also to a large extent enabled them to act as a vital conduit or principal relief provider between emigration or host states (the Philippines, Nepal and the UAE) and migrant workers in precarious conditions.

In some cases, however, the pandemic has in turn empowered community diaspora groups to amplify their political voice both in the UAE and in their respective origin country via social media platforms. While community diaspora groups are legally restricted from organizing any political protests or mobilization in the UAE, they have often used social media platforms to dissent politically against their respective emigration states. At a public webinar hosted by Rights Corridor, an interregional migration and news platform on the Asia–Gulf migration corridor, Naresh Sen from the Nepal Association in the UAE criticized the Nepali state's lack of concrete strategies and plans to repatriate migrant workers, as well as its lack of clear political and institutional timelines to assist migrant workers in distress.

[5]These exclusionary criteria have, however, changed over time since the Philippine state's labor department permitted other Filipino migrants, specifically those who have been partially displaced (in the form of 50 percent salary cuts), to access the financial fund from the Philippine state.

UAE-based OFW groups have also voiced direct criticism—via social media platforms—of the Philippine diplomatic missions, particularly certain POLO staff members, for failing to distribute cash or food assistance equitably to OFWs during the pandemic. One Filipino diplomat in Dubai, for example, was expelled from the POLO office due to his alleged mistreatment of an unemployed Filipina worker in distress, unilaterally ordered by the Philippine secretary of labor. Community diasporic groups have thus not only used social media platforms to hold emigration states' diplomatic mission staff members accountable, but also to test their degree of diplomatic proactiveness in the host country.

Implications of the Covid-19 pandemic on emigration states' power, interests and status

As the pandemic has proliferated across the GCC countries, emigration states' power, interests and status will likely be shaped by the following: (i) domestic shortages and preferences for migrant workers, (ii) sectoral concentration and demands, and (iii) interethnic migrant competition for jobs in the host country.

Domestic shortages

As the Covid-19 pandemic has intensified, the degree of domestic labor shortages has also evolved as the UAE and GCC markets slowly reopen. Prior to the pandemic, key labor sectors in the UAE such as construction, retail, medicine, and domestic work were structurally dependent on migrant labor. However, with the pandemic, unemployment among migrant workers has continued to rise, thereby creating a large surplus unemployed migrant workforce. While some migrant-related jobs remained in demand (such as nursing, domestic work and food delivery), the vast majority of sectors have inevitably produced a surplus of labor, thus undermining emigration states' onsite institutional capacity to resolve labor complaints or even repatriate their nationals during the pandemic.

This scenario has had a direct impact on emigration states, as they are forced to deal unilaterally with the immediate repatriation of their migrant workers, thus losing their sectoral

leverage and concentration in the host country. The Philippines, however, faces fewer constraints compared to Nepal due to its sectoral labor diversity and the spread of its migrant workers in the UAE labor market. This characteristic enables the Philippines to slowly reduce risks, but also mitigates potential threats linked to labor employment problems in the long run.

Sectoral concentration

Sectors are vital sources of diplomatic leverage for emigration states. However, these states tend to differentiate and prioritize their sectoral strength, often shaping the degree of skill, industry and volume of their migrant workforce in the host country. In fact, certain labor sectors in the Gulf are often prioritized and valued over others, such as nursing, domestic work and other specific service-based industries. The Philippines, for example, dominates key sectors such as nursing, domestic work and retail, with strong employer preference for hiring that enables the Philippine state to strategically optimize its role in the Gulf countries. The skill diversity and sectoral concentrations of Filipinos in 'frontline key sectors' generate diplomatic leverage for the Philippine state. Nepal, however, has limited bargaining power partly due to the heavy concentration of migrants in certain semi-skilled or low-skilled sectors, where job substitution is often rampant and problematic for emigration states.

Interethnic migrant competition

The perceived diplomatic power or leverage of emigration states also depends on the availability of migrant labor presently residing in the Gulf countries. The Covid-19 pandemic has weakened the economic status of most migrant workforces, thereby deepening their financial vulnerability and constricting labor market options in the long run. In the UAE and other Gulf countries, migrants are often hierarchized, whereby employers perceive certain migrant workforces as more productive, appealing and competitive. The long-held employer preference for Filipino migrant workers gives the Philippines an excellent competitive advantage, and this preference appears to continue. The linguistic capacities of Filipino workers, along with their

perceived skills, trustworthiness and ability to multitask make them more competitive and less substitutable. Nepali workers, however, are less preferred in most Gulf sectors, thereby limiting the potential capacity of the Nepali state to accumulate sectoral influence and leverage. Thus, an emigration state's degree of diplomatic power and leverage and its interests will depend on the domestic political context in the host country as well as on the strategic economic demands and preferences set by the UAE and other GCC countries post-Covid-19.

Conclusion

This chapter has examined the impact of the Covid-19 pandemic on the nature and degree of emigration states' onsite diplomatic practices and strategies in protecting the rights and welfare of migrant workers in the UAE and the rest of the GCC region. Based on preliminary fieldwork with key stakeholders from the Philippines and Nepal in the UAE, we offer five key conclusions.

First, the pandemic has exacerbated pre-existing structural vulnerabilities of emigration states in the Gulf countries. Specifically, it will likely deepen their diplomatic power asymmetry over time as their domestic political and economic conditions weaken.

Second, while emigration states' internal onsite diplomatic strategies have reportedly become ineffective or weaker during the pandemic, it has also intensified and exposed the difference in their responses as well as in the level of state institutional preparedness in dealing with global crises. While emigration states have, in the past, dealt with either domestic or regional crises, the global scope of the Covid-19 pandemic has limited their diplomatic proactiveness as the GCC countries strategically imposed policies that restricted frontline state officials' diplomatic mobility and power (through lockdowns, quarantine and other mobility constraints).

Third, the structural limitations of emigration states' power have, to a large extent, deepened existing tension between

emigration states and Gulf-based migrant diasporas. This in turn determines the degree of cooperation or competition for political legitimacy in protecting the rights and welfare of migrant workers.

Fourth, weakening economic conditions in their home country will likely force migrant workers to stay in their host country in the GCC, given the perceived economic benefits of staying on as well as the cost of returning home. The sectoral dispersal of migrant workers within the GCC countries, combined with the type and degree of structural labor shortage, will likely determine the critical relevance of, and preference for, migrant workforces in the GCC countries. This context will also shape the types of diplomatic power and influence available to emigration states as well as the nature, type and volume of labor-related cooperation challenges in the GCC countries.

Lastly, as the GCC economies struggle to recover in the short, medium and long run, it is likely that they will focus on extending protection and assistance to employers to stabilize their economic conditions in the short run. Emigration states will probably face institutional challenges in protecting their nationals as local protectionist policies such as localization (nationalization, migration quotas and VAT policies) are strategically imposed to protect the interests of locals, employers and the Gulf states.

These preliminary empirical observations reflect not only the shift in migration governance politics in the GCC countries, but also highlight the growing precariousness of migrant workers as the 'new normal' in the long run. While emigration states' onsite diplomatic practices and strategies have helped ameliorate some of these migrant vulnerabilities, the deepening of structural power asymmetries between emigration and GCC states will likely generate a larger spectrum of migrant vulnerabilities in the long run.

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Chapter 13

Beyond oil prices: Noneconomic factors in post-Covid-19 migration to the Gulf

Nasra M. Shah and Maham Hameed

When we talk of labor migration, financial aspects such as wages, recruitment cost and remittances are intrinsic aspects of the process. It is difficult to delink the multiple determinants of international migration from the economic incentives that underlie the entire process for a wide range of actors in the home and host countries. Beyond financial and economic considerations, however, it is important to understand the social, cultural and political factors that may facilitate or hinder migration in a post-Covid-19 environment.

Some analysts contend that the deeply entrenched patterns that have evolved to generate and sustain labor migration will only suffer a short-term shock as a result of the pandemic and that things will revert to the previous situation, although probably at a somewhat reduced volume (Rajan, 2020). A closer look at some of the underlying noneconomic factors that have grown and nourished increasing levels of labor migration to the Gulf over the last four to five decades is necessary to fully understand how these factors may change and affect future flows of migrants to the region.

With this objective, this chapter focuses on four distinct but related factors that are likely to have a strong impact on future labor migration, in combination with the economic performance and development goals of the host countries. We will look at: (i)

the *kafala* regime, (ii) social networks of friends and relatives and the pervasiveness of agents and subagents, (iii) the attitudes of some host countries toward migrants, and (iv) the competitiveness of Covid-free workers in the future.

The *kafala* regime

'*Kafala*' is an Arabic term meaning 'guarantee' and a *kafala* system denotes a mechanism through which a *kafil* or sponsor assumes legal and economic responsibility for a migrant. The *kafil*, strictly speaking, is also the migrant's employer and must be a national, apart from certain exceptional circumstances, for example, in the case of domestic workers or those hired in free economic zones. It is well known that a foreign national in the Gulf must have a sponsor by law. The sponsor could be an individual employer (for example, one employing a domestic worker), a company (for example, Samsung) or an institution (for example, a university). For dependents such as spouses and children, the employed person is the sponsor. Employed women cannot usually sponsor their husbands, although some new practices are now evolving.

The *kafala* system predates large-scale labor migration and is part of the Gulf's historical social structure. Some debate exists about the specific roots of the *kafala* system. One explanation contends that the tradition is rooted in Bedouin norms that offered protection and hospitality to foreigners (Khan & Harroff-Tavel, 2011; Azhari, 2017; Damir-Geilsdorf, 2016). Another explanation, more widely accepted, is the tradition of indentured labor established in the Arab Gulf as part of the business of pearl diving whereby owners of pearl-diving ships hired divers and workers who were given a loan or advance for their work to maintain their families until the end of the diving season, when they could return the loan. However, if they could not earn enough, they became indebted to the owner and had to repay by working for him the next season (Longva, 1997). A third explanation offered as justification for the *kafala* system is the government's efforts to benefit nationals by giving them control

of a fluid labor force that can be retained or fired almost at the will of the employer (Baldwin-Edwards, 2011).

Whatever its historical roots, the *kafala* system continues to form an essential and perhaps the most vital part of the employment structure in the Gulf. Under the present setup, the *kafala* regime provides a means of power sharing by the rulers with their citizens. Described by Ahmad (2012) as 'a citizen-devolved system of governance,' the *kafala* system became a major engine for managing migration to the Gulf. Its likely restructuring may therefore affect the ability and willingness of Gulf sponsors to continue importing hordes of foreign workers in future.

Sponsors are responsible for ensuring that the residence permits of all expatriates remain valid and lawful. Furthermore, the state has mandated that the sponsor who arranged the work permit for a subsequent migrant is equipped to hire that migrant. Licenses for businesses are given after making such determination. In fact, these rules are often violated since sponsors may provide work visas for businesses that they do not start once workers arrive, but tacitly allow those workers to find a job in the open market. This practice is popularly known as providing an *azad* or 'free' visa.

Why does the Gulf sponsor provide such a visa? In an unknown number of cases, the sponsor charges a fee for providing the work visa that may vary from as little as about USD500 per year to USD3,000 or more. Longva (1997) provides an in-depth look at the growth of the visa trading practice in her field study of Kuwait, where she has found that, although it was legally strictly prohibited, the sale of visas was an easy and lucrative way of making money, most actively used by lower-middle class, unskilled Kuwaitis. As in Kuwait, the practice took root in other Gulf countries. Simultaneously, a whole range of intermediaries in the host as well as home countries mushroomed and grew stronger over the years to reap the benefits of this process and earn their share of the total recruitment cost incurred by prospective migrants.

The International Labour Organization (ILO) and World Bank have estimated the recruitment cost paid by workers in various countries, including Pakistan. Visa fees were the highest cost paid by migrants: workers reported paying USD3,494 and USD1,818 on average for work visas for Saudi Arabia and the UAE, respectively. The exorbitant cost of obtaining a visa, which varied according to several factors such as the origin district of the migrant, indicates the exploitative presence of intermediaries at this level as well (ILO, 2016). An intricate chain of migration costs has been facilitated by the informal and privatized mechanisms of the *kafala* system. An analysis of the survey found that recruitment costs were higher for low-skilled migrants compared to high-income migrants and individuals who had applied for overseas jobs through a broker (Niedermayerova, Abella & Seshan, 2017).

How will the pandemic affect the *kafala* procedures and process? A total replacement of the *kafala* regime by an alternative management system is unlikely. This would take several years and major policy changes, even though some countries are making efforts to reform the heavily criticized *kafala* procedures and regulations (Migrant Forum in Asia, 2012; Jureidini & Hassan, 2020).

The post-Covid-19 era may see the following changes. First, host country governments are likely to streamline the process of licensing to reduce the practice of visa trading (and *azad* visas). In February 2020, a Saudi Gazette report, citing anonymous sources, claimed that Saudi Arabia was set to abolish the *kafala* system. Following the launch of the country's Vision 2030 and premium residency,[1] such a move would put an end to the system of sponsorship in Saudi Arabia ('Abolition of Sponsorship,' 2020). According to the report, if the country follows through with the abrogation of the *kafala* law, expatriate workers will be able to move freely in and out of the country and seek employment elsewhere without requiring the permission of a sponsor. Such a move is likely to curtail the practice of visa trading in the country.

[1]Premium residency or the Saudi green card was an important step toward abolishing the *kafala* system. It is a residence permit that grants expatriate workers the right to live, work and own businesses or property in Saudi Arabia (Abbas, 2019).

However, since there has been no official or unofficial follow-up of the issue, it would be hasty to predict with certainty such a drastic change.

In October 2020, the country's deputy for human resources announced that Saudi Arabia would relax the contractual obligations facing migrant workers under the *kafala* system ('Saudi Arabia to Remove,' 2020). The reforms, to be implemented in March 2021, would allow migrant workers greater freedom to switch jobs and exit and re-enter the country without their employer's consent. A human rights activist cautioned that the reform seemed to target only certain elements of the *kafala* regime and did not point toward a full abolition. She said that migrants would still need a sponsor to enter the country and that employers might still maintain control over workers' residency status.

In August 2020, the Government of Qatar announced a major step toward the abolition of the *kafala* system. According to the reform that has been passed into law, migrant workers will now be allowed to change jobs without the consent of their employers (Pattison, 2020). Effective implementation of such laws remains to be seen. Another step by Qatar, considered a milestone in labor reforms by the ILO, consists of the abolition of exit visas for migrant workers with the exception of selected categories (Thomas Reuters Foundation, 2020).

Second, Gulf country governments are likely to take active steps to curtail the presence of irregular (undocumented) workers employed by someone other than a sponsor. Most Gulf countries may also increasingly punish employers who were sponsoring irregular workers, as has been reported by some Gulf countries. Overt statements by the highest authorities in the Kuwait government illustrate steps that may become widespread. In a recent official statement, Kuwait's prime minister told the top editors of newspapers that 224 companies had been referred to public prosecutors, based on information that they had broken laws by trading in residency permits by illegally bringing in overseas workers and transferring them between employers. He noted that 'We (the state)' are 'responsible for everyone who lives on this land

and the residency trade has exhausted the state, especially when dealing with the current situation' (MacDonald, 2020).

Following up on the above resolve, the Kuwaiti parliament has finalized a bill to reduce the number of expatriate workers and specify the number of workers needed by the country in various sectors, along with the nationalities of prospective workers ('Kuwait Finalizes Bill,' 2020). The bill also includes articles to eliminate marginal and unnecessary workers and imposes heavy penalties on violators, including visa traders.

Third, stricter regulation of visa trading may result in an increase in the price of such visas and thus the recruitment cost borne by workers, even reaching unaffordable levels. As suggested by previous research, the burden of such a change will be borne disproportionately by low-skilled workers (Niedermayerova et al., 2017). At the same time, with widespread layoffs in many sectors, the pool of friends and relatives who would have financed the cost of such visas in the past is likely to shrink substantially, as discussed below.

Social networks of friends and relatives, agents and subagents

Social networks have aided and supported Gulf migration for many years. Arranging a job for friends and relatives has become an increasingly important part of the overall sociocultural dynamics that fuel the flow of migrants from most sending countries. The Gulf migrant often finances all or part of the cost, to be paid back by the prospective migrant. In many instances, the Gulf migrant would have bought the visa from a Gulf sponsor (directly or through agents in the host country). In some cases, the employer asks workers to recommend other workers from their country or locality, thus assigning to them the role of an informal recruitment agent. This results in chain migration and expansion of the previous migrant's own network, as illustrated in Gardner's (2012) fieldwork in Qatar. Thus, over the years, the Gulf has become home to many migrants who share not only their nationality, but also their village, clan, religion, language, caste, cuisine, and cultural heritage. For example, a Malayali from Kerala in India may come to the Gulf alone, but often comes with

a few names he can contact and insert himself into multiple networks within days (Osella & Osella, 2012).

Previous research based on data from four South Asian countries indicates that a substantial percentage of migrants arranged their Gulf jobs in 1995 through friends and relatives, ranging from a low of 13 percent in the case of Sri Lankans to 55 percent in the case of Pakistanis (Shah, 2000). A key finding of this study was the more successful migration outcomes realized by those who came through friends or relatives compared to formal recruitment agents: the former group earned a higher salary, found a job that met their expectation, and were happier with that job. However, a larger percentage of them came on a so-called 'free' or *azad* visa that is in fact against the law but highly prevalent. Recent research from Pakistan shows that the reliance of workers on friends or relatives has persisted since 56.6 percent of all migrants in the UAE and Saudi Arabia access information about the Gulf job market through friends or relatives (Amjad, Arif & Iqbal, 2017).

While most Asian sending countries have devised formal institutional arrangements for legally registered recruitment agents that are expected to facilitate jobs in the home country on behalf of Gulf employers, a wide range of informal arrangements—where unregistered subagents play a vital role—have taken root. In the case of India, Breeding (2012) shows that, while the concerned ministry listed 1,835 licensed agents, there were thousands of 'agencies' operating through teashops, travel agencies and private homes. This is where much recruitment took place, with subagents acting as an extended arm of the licensed agents who facilitated the paperwork at the ministry. Thus, the migrant got his information about the job from persons who may or may not have known its actual specifications, real salary or working hours and other benefits, but the fact that the migrant may trust the subagent—because he belongs to his social network—may override other considerations.

Subagents play a critical role in facilitating visa trading. They constituted the second-most important resource for the surveyed population of the KNOMAD Pakistan survey: 37 percent of the

entire sample had used subagents or brokers to find work in the Gulf (ILO, 2016). If located in a Gulf country, the informal, unlicensed subagent may be the necessary point of contact having links with employers and their recruitment officials in the designated company and a wide network of agents and subagents located in the home country. The recruitment fee to be paid by the prospective migrant would be distributed between these various actors. The actual company owner may or may not know of these covert arrangements since they are handled by recruitment officers within large companies. Alternatively, owners of small businesses may sell a residency or work visa directly to the migrant wishing to buy one. Innumerable cases where a plethora of different arrangements for the purchase and sale of such visas have been documented in Fargues and Shah (2017).

How will the pandemic impact this process? With shrinking economies in the Gulf whereby many migrants might lose their jobs, financial ability to arrange jobs for friends and relatives will shrink. At the same time, finding visas in the informal labor market will become increasingly difficult and perhaps unaffordable. Migrants' inability to facilitate such migration may have far-reaching economic and social consequences as the pandemic persists.

The widespread informality in the recruitment market is likely to increase in the post-Covid scenario with the shrinking of Gulf job opportunities. The demand for Gulf visas will persist among migrants who had to leave without completing their life plans for building a house, marrying off their sisters or educating their children. In the face of a shrinking pool of jobs, the price of visas is likely to increase. At the same time, the covert nature of visa trading is likely to increase and become riskier for traders. The element of fraud and cheating is bound to increase further in the scenario above. Thus, much greater vigilance on the part of sending countries will be needed to ensure the welfare of their prospective migrants. There will be a need to monitor the situation to avoid fraudulent promises by agents and subagents to those desperately looking for a Gulf job.

In social terms, unsuccessful returnees will be faced with many harsh realities that they may not have been subjected to when they could bring home presents, pay the bills and spend lavishly on festivities even if they could not quite afford to do so. But the promise of returning to their Gulf job was alive and real. The psychosocial impact of such sudden displacement will pose health problems in the sending countries that already face innumerable challenges imposed by large numbers of unexpected returnees.

Attitudes of host countries toward migrants

The attitudes of host countries, at both state and public level, will be an important determining factor in the fate of migrant workers post-Covid. When asked about their policies regarding the level of nonnationals in their countries, most Gulf countries reported that the level was too high and they wanted to reduce the number (United Nations, Department of Economic and Social Affairs, 2017). While general policies to reduce the number of migrants have been in place in the Gulf countries for the last decade or two, actual outflows to the Gulf saw upward trends for most Asian sending countries (Shah, 2018).

The upward trends from several countries that seemed to have continued until 2019, with some fluctuations, are bound to have reversed after March 2020. Some countries have already started limiting the movement of inbound migrant workers. For example, in May 2020, the prime minister of Kuwait vowed to bring down the country's migrant population from 70 to 30 percent ('Kuwait Vows to Cut,' 2020). In August 2020, Kuwait banned the conversion of all types of visas into residency permits (Al Sherbini, 2020). The option for renewal of permits for visitors sponsored by family members was retained, but no visa was to be converted into a residency permit except in exceptional humanitarian cases, to be approved by the interior minister.

At the level of civil society where attitudes toward foreign workers are evident in everyday life, a certain degree of discomfort around the 'invasion' of indigenous cultures and way of life has been a continuous element surrounding the increasing number of migrants. All the Gulf countries have actively pursued policies to

nationalize and indigenize their labor force, and to 'rationalize' the number of foreign workers. Anti-migrant sentiments have been recorded by various studies, some noting the overt gestures in terms of symbolism expressed on T-shirts worn by some locals in the UAE, carrying messages such as "UAE IS FULL: GO HOME' or expressing Emirati superiority by stating 'I am lochal [*sic*]; I can cancel your visa anytime' (Bristol-Rhys, 2012).

Longva's (1997) research in Kuwait revealed that her Kuwaiti interviewees were uncomfortable about sharing their neighborhoods with foreigners and felt the country was losing its sense of identity. One of her subjects stated, 'We want to retain our streets, to keep them Kuwaiti. We want to hear Kuwaiti spoken out there…' (p. 125). In more recent years, similar anti-immigrant sentiments have been expressed by a high-ranking member of the Parliament, who suggested that non-Kuwaitis should be taxed for walking on Kuwaiti streets. Such sentiments have found their truest expression amid the global pandemic. In April 2020, a well-known Kuwaiti actress said that foreigners should either be sent back home or to the desert. A social media influencer began spewing vitriol against Egyptian workers in the country ('Kuwait's Looming Expat Bill,' 2020).

The use of negative social labeling and verbal insults are some of the common forms of expression of xenophobia in the Gulf. According to Ahsan Ullah et al. (2020), dark-skinned people, such as from Bangladesh, are subject to racial epithets and derogatory name-calling. One of the words that was used as a racial slur was *abd* or 'servant', which seems to be an enduring legacy of the history of slavery in the Gulf countries. In Kuwait, some words, such as *rafiq* (literally meaning 'friend') are used to address foreign workers considered socially inferior. Other than the experience of verbal insults, some foreign workers report more serious abuses such as deprivation of food, sexual advances and touching or even rape, and physical torture. An objective assessment of the extent of such abuses is not known, although cases have been reported from all the Gulf countries.

On the other hand, one hears complaints from citizens of various Gulf countries about the negative influences exerted by foreign domestic workers on the upbringing of children, such as the use of Hindi words in their speech or occasionally imitating their nannies' worship rituals. Yet the demand for female domestic workers is one of the most resilient aspects of labor migration. There are also contradictions in how domestic workers from different countries are treated and remunerated. Filipino domestic workers are rated higher than Sri Lankan, Indian or Eritrean ones. The ability of the former group to interact with their children in English is valued highly by Gulf nationals. Thus, there are essential and fundamental contradictions in how foreign workers are perceived and valued by different groups within the host countries. At a very broad level, foreign workers may be grouped under three distinct categories, ranking from highest to lowest: Western, that is, European and American workers; Arabs; and Asians. Westerners are likely to earn higher salaries for performing the same kind of work as Asians.

In some recent research from Qatar, Diop et al. (2012, p. 186) report that, 'even though Qataris would, on the whole, like the numbers of new foreign workers allowed into the country to be reduced, they appreciate the part these migrant workers play in providing the high-skilled and low-skilled labor needed to build and support Qatar's economic development and growth.' Yet, they would not consider low-skilled jobs to be appropriate for nationals. Diop et al. (2017) also report that, while Qatari nationals value foreign workers' positive contribution to the development of their country in general, they have concerns about this population's impact on economic and health resources. Furthermore, most citizens would prefer to maintain the regulatory control over foreign workers that currently exists in the form of the sponsorship or *kafala* system.

Apart from the obvious regulatory mechanism of the *kafala* system, the spatial structures of the major cities in the Gulf also play a key role in creating the marginalized 'other'. The urban structures of cities such as Doha and Dubai prevent the visible presence of low-skilled migrant workers (Nagy, 2006; Hamza, 2015).

Ownership of property is restricted to Qataris—with the rare exception of foreign-owned luxury development projects (Nagy, 2006). Most low-skilled workers residing in these cities live in labor camps concentrated in either the industrial areas on the outskirts of the city or in dormitories located near their workplaces (Nagy, 2006). The government actively prevents the spatial proximity of foreign workers in the city center. For example, in 2006, the Dubai government evicted single men living in 'family' neighborhoods. Similarly, when a construction company tried to house its construction workers in the Jumeriah area, the local municipality prevented this from happening (Hamza, 2015).

Adding to the physical marginalization of workers is the reality of public or quasi-public spaces. Workers find it difficult to access malls due to the exorbitant prices and fear of harassment by the mall security. Bristol-Rhys (2012) found that low-skilled workers did not access public spaces such as beaches because they were likely to be harassed by security personnel in such places. One interviewee said that he did not consider himself 'public' because he came from the labor camps.

The exclusionary attitude of the government and locals is no secret. For example, Nagy (2006) found that Qataris were very bold in admitting that they preferred to live in neighborhoods without any foreigners. Her interviews reveal the common stereotypes held by the local population that wants to 'protect' themselves from 'unhygienic' South Asians, the 'sexual promiscuity' of Filipinas and the 'party culture' of westerners.

The stance of host countries toward migrant workers during the lockdowns is a manifestation of the discriminatory attitudes held by the governments and private companies. Equidem (2020) reports that, during the pandemic, Saudi Arabia and the UAE passed laws that permitted private sector employers to delay, reduce or end the wage payments of foreign workers. A migrant worker in Qatar related to Equidem that his company was not laying off workers of Qatari or any other Gulf nationality, but instead firing those who belonged to any other nationality. Numerous instances of migrants who had to leave their host

country without having been paid a salary have been reported, exemplified by the case of Indian workers, leading analysts to describe this as 'wage theft' by employers (Kuttappan, 2020).

While there are differences among the six Gulf countries and some have instituted policies to incorporate expatriates (especially highly skilled ones), public attitudes toward immigrants seem to have become more negative over the years. This trend is likely to expand and intensify in the post-Covid period. Active measures to expel irregular migrants are being taken in some countries. Amnesties for the departure of irregular workers declared by the UAE, Kuwait and Bahrain during March–June 2020 are indicative of such policies.

Competitiveness of Covid-free workers

Workers from different parts of the world compete for a finite number of jobs in the Gulf. Thus, the labor market has always been competitive in terms of wages and skills. This continues to be true for the relatively low-skilled workers who are available in abundance in a number of sending countries, especially in South and Southeast Asia. Screening the health of workers and selecting 'disease-free' ones has been part of the process for migrants proceeding to the Gulf for many years. Diseases such as tuberculosis, hepatitis and HIV have been part of that list, among others. Migrants are required to undergo a series of pre-designated health screening tests that must be obtained from healthcare providers who have been certified for such tests by the embassies of various Gulf countries in each of the sending countries.

In addition to the various tests that were in place earlier, reliable testing and certification of a Covid-free status has already become an important element in sorting out the healthiest and disease-free workers. The requirement of being Covid-free applies to all travelers, including migrant workers, since international airlines from Asia to the Gulf do not allow passengers to board the airline without showing proof of being Covid-free, obtained from its designated laboratories. Furthermore, the test must have been conducted within less than 48–72 hours of the scheduled travel. The designated laboratories

are generally the well-known private ones. In the case of Pakistan, a Covid test costs about PKR7,500 (about USD46). On arrival, the migrant worker (as well as visitors) is again subjected to retesting. In most cases, some system of surveillance of new arrivals has been instituted in the Gulf countries. In the UAE, for example, all new arrivals are tracked through an electronic system for a defined period. Such a system of tracking migrants adds an element of state control that increases the transparency of workers' movement, potentially rendering them more vulnerable.

Sending countries that can install reliable testing systems and provide guarantees of the health of their workers might have an edge over those who are not able to provide such guarantees. This entire process has added further to the cost of recruitment. In case a migrant worker wishes to take his or her family with him, the cost can add up to a substantial amount.

Concern over the health of migrant workers has gained new attention following the pandemic. The infectious nature of the disease has brought increased attention to the unhygienic and overcrowded living conditions of low-skilled migrant workers that leave them at high risk of infection and contagion. In studies of the working and living conditions of low-skilled workers in Dubai and Qatar, Fargues, Shah and Brouwer (2019a, 2019b) find that such workers frequently report massive overcrowding and lack of adequate cleanliness in the residences provided to them by their companies. This situation was reported by male as well as female workers in the construction and hospitality industries.

Despite specific laws that have been passed in the two countries, most interviewed workers in Dubai were not satisfied with the number of persons with whom they shared a room or bathroom. About 57 percent of respondents (81 percent of females and 45 percent of males) said that there were too many persons per room, probably implying that the rooms were too small, contrary to the law requiring a space of 3 square meters per person. Regarding bathrooms, the minimum of one toilet for every eight persons provided under the law was either not respected or considered insufficient in many cases; 57 percent of respondents

were dissatisfied with the number of persons per shared bathroom. Similar to the findings in Dubai, 53 percent of the interviewed migrants in Qatar (63 percent of females versus 47 percent of males) reported that there were too many persons for the size of their room. Regarding bathrooms, 51 percent were dissatisfied with the number of persons per shared bathroom (56 percent of females versus 48 percent of males) (Fargues et al., 2019a).

According to a report by Equidem (2020), migrant workers in Saudi Arabia, the UAE and Qatar complained about the overcrowded and unsanitary conditions of their accommodation camps. Social distancing, according to many accounts, was impossible in camps filled with 100–250 people, rooms shared by five to ten people, and bathrooms shared by 15–20 people. Workers from Qatar also complained about how distancing was impossible in the overcrowded company buses. Improvements in the living and working conditions of low-skilled workers will be necessary to restrict infection rates. Such improvement, if undertaken, will translate directly into reducing the profit margin of employers, which in turn will determine the feasibility of the number of workers a business can afford to hire. Thus, workers may need to alter their lifestyles and hygiene habits to ensure they remain disease-free to ensure employability.

Conclusion

The spread of the Covid-19 pandemic to the Gulf states led to massive impacts on the labor market, where foreign workers constituted a majority of the workforce in 2014; about 70 percent of all workers were nonnational, ranging from about 94 percent in Qatar to 56 percent in Saudi Arabia.[2] Migrants from many Asian countries were concentrated in low-skilled occupations that are more vulnerable to abuse, and their composition is unlikely to change much in the next few years. While a complete picture of the numbers who will lose their job as a consequence of the pandemic is not yet available, it is generally agreed that the number of permanent returnees to the sending countries will be

[2]www.gulfmigration.org

larger than during the pre-Covid era. However, the duration for which this situation will continue is not known.

Estimates from some sending countries reveal an alarming scenario. In the case of Nepal, it was estimated in May 2020 that 127,000 Nepali migrant workers would return home immediately once flights were re-established after the lockdowns in the Gulf ended, while another 407,000 were expected to return in the long run as economies contracted due to the effects of the pandemic (Mandal, 2020). Pakistan's Bureau of Emigration and Overseas Employment estimated that, by 24 June 2020, about 50,000 Pakistanis had lost their jobs and more than 102,000 who were under process would potentially lose their jobs. Also, during the first three months of 2020 (before the outbreak of Covid-19), 177,084 workers were registered but from April to September, only 2,403 emigrants registered for overseas employment (K. Noor, personal communication, 6 October 2020).

Given the above data, what can one say about the future? Furthermore, how will noneconomic factors play a role in determining the future demand for and outflow of workers to the Gulf region? The financial health of the Gulf economies, based on the worldwide demand for and price of oil—in the case of several countries—will remain the key determining factor for broad plans for future development and the launch of new businesses and projects and, consequently, the number of foreign workers needed. However, experience shows that several noneconomic factors propel the entire process in which remote migrant villages in a South or Southeast Asian country are tied to the economic promise of a Gulf country.

In this chapter, we have identified and discussed four elements that are likely to affect future outflows of workers to the Gulf region. The first is the *kafala* regime in Gulf countries where Gulf nationals have developed ties with migrants or their agents to sell work visas and ensure an easy and regular supplemental income, not only for themselves but also for a range of intermediaries, often located in the sending countries. Changes in the availability and accessibility of work visas through informal

kafala relationships are likely to affect future inflows of workers, probably making such transactions more difficult.

Second, the well-entrenched web of friends, relatives, agents, and subagents who constitute essential intermediaries that provide information as well as a host of resources, including financial assistance, to enable migration is likely to be dampened. The earlier levels of chain migration generated through friends and relatives are likely to weaken as more migrants lose their own jobs or are faced with an increasingly risky work environment.

Third, attitudes toward migrant workers have become more negative during the last two decades or so. If this trend continues, the changing anti-immigrant attitudes of Gulf country governments—as well as their politicians and employers—are likely to determine a stricter surveillance of and rationale for the import of foreign workers. Migrants in an irregular legal status are likely to face especially precarious futures as all these changes occur.

Finally, concerns about the health of foreign workers to protect indigenous populations and curtail the spread of the virus may affect future inflows to the Gulf. Ensuring this would imply investing to improve the living and working conditions of workers, which may eliminate profit margins and thus discourage large inflows.

Many factors other than economic considerations will therefore determine the ultimate demand for workers in the Gulf. The duration of the pandemic and realities of the post-Covid situation will, naturally, be significant determinants of the future. Awareness of the factors that could affect future flows of migrants will provide useful knowledge to the sending countries trying to cope with the economic and social hazards of these unforeseen circumstances. Policymakers in sending countries should therefore remain cognizant of not only the economic health of the Gulf countries but also the noneconomic aspects we have outlined to maximize the chances of labor migration from their country.

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Biographical notes on contributors

Philippe Fargues is a French demographer. He is a part-time professor at the Robert Schuman Centre at the European University Institute (EUI). He was the founding director of the EUI's Migration Policy Centre and has held senior positions at the National Institute for Demographic Studies in Paris and the American University in Cairo. He has also taught at Harvard, Sciences Po Paris and various universities in France, the Middle East and Africa. His research interests include population, international migration and politics. His recent publications include *Migration to the Gulf: Policies in Sending and Receiving Countries* (with Nasra Shah, Gulf Research Centre, 2018); *Skillful Survivals: Irregular Migration to the Gulf* (with Nasra Shah, Gulf Research Centre, 2017); 'Mass Migration and Uprisings in the Arab Countries: An Analytical Framework' (*International Development Policy*, 2017); *Migration from North Africa and the Middle East: Skilled Migrants, Development and Globalization* (IB Tauris, 2015); and 'International Migration and the Demographic Transition: A Two-Way Interaction' (*International Migration Review*, 2011).

G. M. Arif is the former joint director of the Pakistan Institute of Development Economics, where he headed a research division on population, poverty and labor dynamics. After retiring in 2016, he was associated with the National Institute of Population Studies, where he led the 2017/18 Pakistan Demographic and Health Survey. He worked as a poverty reduction specialist at the Asian Development Bank's Pakistan Resident Mission from 2004 to 2007. He has also been a visiting fellow at the European Forum for Migration Studies at the University of Bamberg in Germany. Arif has a PhD in demography from the Australian National University in Canberra, where he specialized in international contract labor migration. He has written extensively on migration, urbanization, the labor market, poverty and food security. He is

currently a member of the governing council of the Pakistan Bureau of Statistics.

Shujaat Farooq holds a PhD in economics from the Pakistan Institute of Development Economics (PIDE) and currently works for the Benazir Income Support Program as director of monitoring and evaluation (on deputation from PIDE). He is also an assistant professor of economics at PIDE, having previously worked in academia and with government institutions and development partners. Farooq has extensive experience of research and policy work in economics, poverty, education, labor and the rural economy. He has been involved in various national policy formulations, including the rebasing of the official poverty line, Vision 2025 and the National Socioeconomic Registry update.

Almazia Shahzad is a macroeconomist and also specializes in development finance. Currently, she works as a research fellow at the Graduate Institute of Development Studies, Lahore School of Economics. She has also worked at the State Bank of Pakistan as an assistant director. She graduated from the University of Warwick with a Master's degree in economics and holds an MPhil in development studies from the Lahore School of Economics. Her areas of interest include macroeconomic analysis, monetary and macroprudential policies, and access to finance.

Françoise De Bel-Air is a researcher and consultant. A socio-demographer by training, she specializes in the demography and population policies of the Arab countries. Since 2013, she has been a senior fellow with the Gulf Labor Markets, Migration and Population Program. She was a part-time professor at the Migration Policy Centre, European University Institute of Florence, Italy, and a senior fellow at the French Institute for the Near East in Amman, Jordan. Her research expertise lies in population issues, including labor migration; irregular, highly-skilled and female migration; migration policies in the Arab countries; and migration to the EU and Gulf states.

Ganesh Gurung is a former executive chair of the Policy Research Institute in Nepal, where he has also served as a member of the

National Planning Commission. As a founding chairperson of the Nepal Institute of Development Studies, he has carried out more than 100 studies on migration, particularly foreign labor migration. He has also played an active role in the social welfare sector as vice-chair of the Social Welfare Council of Nepal. Gurung has contributed significantly to protecting the rights of Nepali migrant workers.

Mahendra Kumar Rai is affiliated with Tribhuvan University in Nepal as an assistant professor. As an advocate and policy reviewer, he has more than ten years' experience in research, data analysis and data management in migration, socioeconomics and development. He was actively involved in developing a migration profile of Nepal and has carried out a number of studies on foreign labor migration.

C. R. Abrar is the executive director of the Refugee and Migratory Movements Research Unit, the premier migration thinktank in Bangladesh. He was educated at the universities of Dhaka and Sussex and at Griffith University in Australia, and has taught international relations at the University of Dhaka for four decades. Abrar's areas of interest include the Rohingya refugees, short-term labor migrants and the citizenship status of the camp-dwelling Urdu-speaking community in Bangladesh. He has published widely in national and international journals on the recruitment industry, social protection and the rights of the Rohingya refugees. He has also served as chair of the Internal Migration and Urbanization thematic group of the Knowledge Network on Migration Development and contributes regularly to the *Daily Star* on migration and rights issues.

Maruja M. B. Asis is director of the Scalabrini Migration Center, based in Manila, the Philippines. A sociologist with extensive experience of research on international migration and social change in Asia, her areas of interest include gender, the family and migration, migration and development, and migration governance. She is also editor of the *Asian and Pacific Migration Journal*.

Froilan Malit, Jr. specializes in labor migration, labor rights, diplomacy, and international relations in the Middle East and North Africa region. He is currently an associate at the Gulf Labor Markets and Migration Program, a CIFAL research fellow at the University of the Philippines in Diliman, and an associate member of the Center for the Study of Global Human Movement at the University of Cambridge.

Anuj Tiwari works at the Center for Research and Development at King's College as a senior researcher. He is also a faculty member at the Department of Conflict, Peace and Development Studies at Tribhuvan University in Nepal. As a board member of the Center for Migration and International Relations, an organization dedicated to the service of Nepali migrant workers, he advises the organization on migration and international relations.

Nasir Iqbal has worked extensively on trade and governance as well as the development, design and implementation of social protection and other development projects over the last 14 years. Currently, he works as an associate professor at the Pakistan Institute of Development Economics. He has also headed the research wing of Pakistan's largest social protection program, the Benazir Income Support Program, and led the design and implementation of macroeconomic models, graduation models, socioeconomic surveys, and data quality assurance and analysis for social protection programs in Pakistan.

Piyasiri Wickramasekara, a Sri Lankan national, served as a senior specialist on international migration and employment with the International Labour Organization (ILO) for many years. He has contributed extensively to the ILO's thinking on labor migration issues, especially its rights-based approach, and was one of the architects of the ILO Multilateral Framework on Labor Migration. Wickramasekara serves as vice-president of the Global Migration Policy Associates, an international network of migration experts. He is also on the advisory board of CIMRAD. His expertise covers Asian and Gulf labor migration, labor

migration policy, the migration-development nexus, migrant rights, skilled mobility, temporary and circular migration, and bilateral labor agreements. He obtained his PhD in economics from the University of Cambridge.

Bilesha Weeraratne is a research fellow and head of migration and urbanization research at the Institute of Policy Studies in Sri Lanka. Previously, she was a postdoctoral research associate at Princeton. Her research interests include internal and international migration, urbanization, the economics of education, labor economics, economic development, econometrics and economic modeling, and the economics of sports. She has published extensively on labor migration, remittances and recruitment and served as a consultant to the International Organization for Migration, the International Labour Organization, the World Bank and the Asian Development Bank.

Nasra M. Shah is a professor of migration and development at the Lahore School of Economics in Pakistan and co-scientific director of the Gulf Labor Markets and Migration program. Prior to returning to Pakistan, she was a professor of demography at Kuwait University for about 30 years. Shah holds a doctoral degree in population dynamics from Johns Hopkins University's School of Public Health. Her research has focused on various themes including the role of social factors in infant and child mortality, predictors of fertility and contraceptive use, women's role and status, the utilization of health services, and the psychosocial and physical health of older persons. Labor migration, especially from Asian to oil-rich Gulf countries, has been a consistent and prominent theme in her research. Her publications include *Asian Labor Migration: Pipeline to the Middle East*; *Basic Needs, Women and Development*; *Population of Kuwait: Structure and Dynamics*; *Skillful Survivals: Irregular Migration to the Gulf*; and *Migration to the Gulf: Policies in Sending and Receiving Countries*.

Maham Hameed is a research fellow at the Graduate Institute of Development Studies. Her primary research field is economic history. Maham received her Master's degree in comparative studies in history and society from Koç University in 2017. Before that, she completed her undergraduate degree in sociology and anthropology at the Lahore University of Management Sciences. She has worked on regionalism and civil-military relations in Pakistan, the dispossession politics of infrastructural projects, and the history of agrarian relations in Pakistan.

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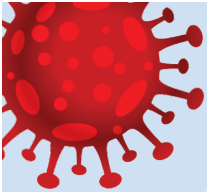
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COVID-19 CRISIS AND ASIAN MIGRATION

Edited by Nasra M. Shah

Temporary labor migration from South and Southeast Asia—primarily to the oil-rich Gulf region—has been a defining feature of international migration flows in recent times. On the eve of the Covid-19 pandemic, the six Gulf countries were home to about 22 million Asian nationals, constituting about three quarters of all migrants in the region. The impact of the pandemic on these workers and their families was marked, widespread and often disastrous. Evidence from five major Asian labor-sending countries documented in this book shows that an unprecedented high number of migrants have returned from their host countries since losing their jobs, adding to the level of unemployment at home. Some had to leave without receiving the salary owed to them, exacerbating their destitution. Migrants in an irregular legal status were in a particularly precarious condition and faced a higher-than-usual risk of being apprehended and deported.

In terms of managing and supporting the return of migrant workers in distress, several countries have made appreciable efforts while others have been less welcoming. Remittances sent home by migrant workers have come to form an increasingly significant element of the national economy as well as of the economic survival of migrant households, and their unexpected return is likely to put such households in acute jeopardy. The experience of some countries, such as Pakistan and Sri Lanka, shows, however, that remittances did not suffer a decline as predicted. In this uncertain environment, the future demand for migrant workers in the Gulf as well as other countries will depend on several sociopolitical factors as well as the economic health of the host countries, owing especially to oil prices and the host countries' plans for development.

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