Labour migration between developing economy to developing country: A case study of Bangladesh and Malaysia

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Labour migration between developing economy to developing country: A case study of Bangladesh and Malaysia

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Abstract

This study examines and analyses the phenomena of unskilled temporary male labour migration from Bangladesh to Malaysia by focusing upon the decision making process, its economic and social impact at the point of origin, and the significance of the role of networks at origin and destination. This analysis contributes to the knowledge on transnational migration flows particularly focused on the attributes studied in the topic. It is anticipated that this study is generate insights and deeper understanding of how the migration decision making process operates, how risks, costs and benefits are assessed by the household unit, to what extent temporary migration is a result of livelihood diversification strategies and how important social networks and social capital reduces the costs and risks of migration. The theoretical analysis and empirical outcomes provides a conceptual model between developing nation to developing country unskilled labour migration process and consequences. Moreover, the findings from this study contribute to migration policies and programs of both the sending and receiving countries by a deeper understanding of this phenomenon, its theoretical underpinnings and the formulation of relevant Government policies and programs pertaining to the international migration of workers.

Key words: decision-making; unskilled; labour; migration; transnational identity; prestige

JEL Code: A10, B31, D00, E00, F00, G00, H00, J44, J62, J71, J08

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Introduction

International migration is a common livelihood strategy for many poor and other Bangladeshi households. Such labour migration contributed to the country's GDP. Together with the potential economic incentives, such labour movements have both socio-economic roots and consequences for the short-term migrants. This study focuses on the factors contributing to the decision to migrate as well as its consequences for unskilled short term male Bangladeshi migrants (and their households) to Malaysia. The specific research objectives are as follows:

1. To examine the socio-demographic profile of unskilled short term male Bangladeshi migrant workers to Malaysia and the factors considered in making the decision to migrate, whether individually or by the household.

2. To explore the socioeconomic impacts of this livelihood strategy on the migrant and his household.

3. To test the viability of the conceptual framework based on extant and major migration theories.

It is anticipated that the findings from this study will contribute to the understanding of this phenomenon, its theoretical underpinnings and the formulation of relevant policies by both the sending and recipient countries.

Literature Review

While international migration refers to the ‘Movement of persons who leave their country of origin, or country of habitual residence, to establish themselves either permanently or temporarily in another country (IMO 2004), the migrant worker is one “who migrates from one country to another with a view to being employed otherwise than on his own account and includes any person regularly admitted as a migrant for employment (ILO 1949).

International migration has accelerated both as a cause and consequence of globalisation; about 215 million people or 3 per cent of the world’s population live outside their birth countries (Rodrik & Rosenzweig 2010). International migration “provides wage differential advantages, reduces macroeconomic volatility, diffuses knowledge across borders, and facilitates trade which may endure substantial welfare gains for letting labour flow between countries” (Rodrik & Rosenzweig 2010).

Over the past decades, temporary unskilled, semi-skilled and skilled labour migration schemes, regulated and otherwise, have become widespread in Asia and the Middle East as they enable more flexible labour markets than permanent migration and favour low-skill services, agricultural, construction and labour intensive manufacturing sectors (Abella 2004). However, lack of protection rights and regulatory frameworks discriminate against such workers (Rudnick 2009) but reduce overall labour importing costs (Ruhs & Martin 2006).

Causes of migration

Migration is driven by labour demand arising from the uneven pace of economic development among countries as seen by the inflow of migrant labour into Malaysia, Hong Kong or Singapore, for instance (Piore 1979; Skeldon 1992). The major pull factors include the wide range of wages differentials, economic shifts from manufacturing to the service sector and migrant community networks (Krishnan & Odynak 1987; Appleyard 1989; Skeldon 1992; Salt 1992; Castles 1998).

As migration experience in originating communities accumulate, migration flows become increasingly self-sustaining over time. Community structures and characteristics, individual and household variables are become socio-demographic push variables. Many empirical studies such as those by Massey et
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Consequences of migration

Along with national development (Farid et al. 2009), migrant remittances improve the living standards of household members with longer term migration enabling higher saving ratios than for other migrants. The ability to remit money to the country of origin depends on the intensity and duration of the migrant's experience and exposure at the destination. Household members assume the role played by the migrant in extending community social networks (Nguyen et al. 2006). Unskilled migrants are invariably blamed for social ills, exploiting public services and lowering wages in the destination country (Huntington 2004). Unskilled labour migration from underdeveloped countries facilitates human trafficking (Firoze 1997; Shamim 1997; Blanchet 2002) increasing the number of refugee at the destination (Khondker 1995).

Thus, the causes and consequences of international migration include both economic and socio-demographic determinants the major ones of which will be investigated in this study.

Conceptualised labour migration between the countries

The conceptual framework of this study is given in Figure 1 below.
Individual/household migration decision making strategy

The household unit is a co-resident group whose sustainability is based upon group decision making regarding resource allocation for productive and social purposes (Schmink 1984, 1985; Wood 1981, 1982) and acts as a mediator between individuals and the migration process (Crummett 1987; Pedraza-Bailey 1985).

The pattern of migration is affected by such sociodemographic variables as household assets, household age and sex structure and its life cycle stage (Harbison 1981; Schmink 1984). Households with moderate financial resources would probably sponsor the migration of one or more household members more than poorer households (Dinerman 1978; Pessar 1982). Households with fewer adults or many dependents may be less likely to participate because of fewer potential migrant candidates (Harbison 1981; Root & De Jong 1986) and the low income generating capacity of members left behind (Escobars et al. 1987). For life cycle stage, men with young children are more likely than those recently married to migrate (Massey et al. 1987; Escobar et al. 1987). International labour migration is a rational household livelihood strategy designed to alleviate economic pressures at various life cycle stages and influences the type of migration (settlement, temporary and recurrent) (Escobar et al. 1987; Massey & Denton 1987).

Individual migration represents a strategy at the household level to achieve a balance between resources such as land or capital, household consumption needs and the monetary or non-monetary generating options available (Pessar 1982; Wood 1982).

Remittance sent home by the migrant forms a significant part of the household strategy to maintain its economic viability and meet social obligations. However, this must be offset by migration costs including those for the agent, transportation, documentation, food, clothing, etc. Positive net remittance flows can reduce land fragmentation and downward mobility while contributing to household farm production; it may well induce more household members to migrate (Pessar 1982) creating family-based household units at the destination. Remittance flows perpetuate social network across space (Caces et al. 1985).
and strengthen and influence future migration
decision strategy (Fawcett & Arnold 1987). Thus,
the unit of analysis is the household although
the sampling unit itself is the unskilled male
migrant located in the destination, Malaysia.

Unskilled migrants

The word unskilled means either the skill
required for a task, the task itself or the
person’s education level (Iancu 2010). Unskilled
workers typically have low education levels and
engage in menial and repetitive tasks earning low
incomes. In studying unskilled labour migration,
researchers such as Iancu (2010) and Rajan
(2011) adopt study-linked definitions; Rajan
(2011) defines unskilled migrants as those
without specific skills including sweepers,
construction workers, cleaners, peons, hawkers,
vendors, petty traders, domestic workers and cooks, while . Iancu (2010)
defines them as having below secondary
education level. Unskilled migrants earn low
income (Razin & Sadka, 1999), send limited
remittances home (Hugo 2009), and are
temporary or short term (Icuna 2010). In
Malaysia, unskilled migrant workers are
employed in manufacturing, service,
construction, plantation and as domestic help
and earn less than RM 2500 monthly
(Kanapathy 2006; Mannan & Farhana 2015).

In this study, the ‘unskilled labour migrant’
refers to those who have been issued visit
passes (Temporary Employment) by the
Immigration Department of Malaysia under
the Immigration Regulations, 1963 [Reg.
11(10)] and section 2(1) of the Passport Act,
1966.

Social networks and migration

Contacts with relatives and friends represent
social networks that provide information and
social and economic support and thus can
significantly influence international migration
decision making processes (De Jong et al.
1974; MacDonal & Macdonal 1964; Richey
migrants and non-migrants across time and
space forging links between migrants in the
host country and friends and relatives in the
origin that can prolong the migration period or
trip duration. The underlying role of household
and community based networks affect
migration patterns (Boyd 1989) while
economic factors at the destination attract
migrants and influence rational decision by
individuals (Fernandez-Kelly 1983b; Pedraza-

Equally important, households are socializing
agents for geographically dispersed families
creating partially dispersed kinship networks
acting as information and support channels
which in turn affect migration decisions
(Harbison 1981; Caces et al. 1985).

Outcomes

Income differences between destination and
origin are directly associated with household
migration decisions. The outcomes of
unskilled migration on the household are
arguably economic (Azam & Gubert 2006)
and social (Rahman 2007) and can be seen in
the impact of remittances on household
income, smoothening consumption patterns,
investment in new business enterprises,
accessibility to financial systems and
accumulation of capital in land, machines,
technology, building construction and
renovation (Taylor 1992; Taylor & Wyatt
1996; Lucas 1987; Adams 2006b; Woodruff &
Zenteno 2001; Yang 2008). Additionally,
migration remittances can reduce unexpected
health hazards and encourage long term
investment in education (Ratha et al. 2011),
minimize the effects of economic shocks on
household welfare (Quartey 2006), conserve
cash resources by avoiding the sale of assets
during calamities (Mohapatra et al. 2009) or
even serve as an insurer for the whole
household (Ponsot & Obegi 2010).
However, migration decisions can entail negative impacts on the household through exploitation of migrants by unscrupulous recruiters or employers. Lipto (1980) notes that initially migration favours the relatively well-off households which can send household members and receive remittances thus increasing inequality in the country of origin. However, as migrant networks become established in the host countries, migration costs fall enabling the less well-off to migrate (Taylor et al. 2005; Koechlin & Leon 2007; Shen et al. 2010a).

Social contacts and networks serve to disseminate the impact of economic and social development on individuals and household, information about the destination, enable social assimilation and reduce income erosion of unskilled migrants in the host country. Thus social networks link individuals and households in the migration decision as a household livelihood strategy and as a consequence of a multiplicity of interacting socioeconomic factors.

Methodology

A mixed methodology approach involving both quantitative and qualitative methods of enquiry was adopted in this study. Given limited resources, a representative sample was chosen from a pre-selected community of Bangladeshi migrants in a locality near Kuala Lumpur comprising male unskilled workers who have been resident in the area between 1-20 years (to enable the gathering of sufficient historical data on remittances etc.) and employed in one industry so as to eliminate any variations caused by inter-industry bias. A survey was conducted using structured, semi-structured interviews and focus group discussions conducted in the Bangladeshi language. Prior to the implementation of the questionnaire survey, the questionnaire was tested in a pilot study to improve its validity. After the pilot study, two data collection exercises (interviews and focus group discussions) were conducted to collect the research data. Based on the mixed method approach, the qualitative findings will provide an in-depth explanation for the understanding of the quantitative output of the study. The analysis of the questionnaire survey data was conducted using descriptive and inferential statistics. The data was analysed applying tabular (cross tabulation) and graphical formats for the individual and household characteristics and multivariate regression such as OLS and logistic model. In this way, the migration decision strategy was explored through the qualitative technique while the impact of this strategy was explored using both qualitative and quantitative methods.

This research focus on the unskilled Bangladeshi male migrants in Malaysia working in the service sector (hotels, resorts, restaurants, cafés, entertainment outlets, shopping complexes, hypermarkets, hospitals, airports, etc). They usually live near their work places and share accommodation either provided by employers or otherwise. The Bukit Bintang area in Kuala Lumpur has a significant range of service establishments and outlets and is a focal point for locals and foreign tourists. The total number of unskilled male Bangladeshi migrants working in the service sector in Malaysia is approximately 22,002 in December 2010 (Malaysian Parliament session, 2011). To obtain a representative sample of the population, Krejcie and Morgan (1970) has recommended the select a random sample of 300 individual migrants. For in-depth clarification of these perspectives related to impact, 10 focus group of 5-10 members each was selected based on certain pre-clarified criteria during the period of January-June, 2015. By rule, Malaysian government approves temporary work permit to the foreign unskilled workers aged between 20 – 45 years.

Quantitative data were analysed using descriptive and inferential statistical techniques where the SPSS (Statistical
Package for the Social Science) software package was used as an instrument. The analysis of quantitative research results is planned while an interpretative technique was used to analyse qualitative data.

Discussion

Most of the migrant (61%) age was between 30-34 years old in this sector, although the mean age was 31.5. They have been working in this country for 1-20 years, but most of the workers have not been directly involved in this sector. The average result of their work in the service sector was 7.10 years. Mostly, 73% of migrants were married and 96% Muslims. They have come with student visa, social visit pass, some were studying, so in the field of education, the analysis is a bit mixed—that is, pre-migration and post-migration educational qualification. Pre-migration educational background as follows; majority (53%) were passed secondary school certificate (SSC), but under SSC 7%, higher secondary school certificate (HSC) 21%, bachelor 3% and other 16%. However, 32% of students responded with a student visa, and 62% of them were going to continue with the annual tuition fee (visa renewal) for just continuing to continue the visa, with them there was no relation to education. Moreover, 28% were studying in various colleges and universities. However, 10% of migrants were working as supervisor / manager / contractor by completing different types of diploma.

It turns out that they do different types of work, 53% cleaning and washing, 27% customer service, 8% cook, 5% bar tender, 4% supervisor level and 2% manager. They have been working in two types of financial contracts such as per hour (RM 5-12) and monthly (RM 900-3,500) salary basis. Those who take advantage of legalization of Malaysian government at previous times, all of them were registered in the name of the same company, but all those who were visas in the student category or other organisation, few of them were working for hourly basis and others on monthly salary. In both cases, the employer did not provide any kind of accommodation and transportation facilities. Migrants, in their own initiative, were making arrangements for resolving and passing accommodation problems.

It was seen that few of them were solved in the way to solve the residential problem to accommodate with others. Someone were sharing room and eating with other Bangladeshi near work place. Anyone else of the same community together with Nepal, India and Myanmar migrants, arranges to stay together, but due to lack of food habit, they were treating their own food differently, such as one day itself, but they were eaten at other times in the low quality of Bangladeshi restaurant. A little deeper discussion of the residential problem was seen in the existence of a transnational identity. As some numbers of Bangladeshi migrants were lived together for a long period in Indonesian girls and they have their own children too. Because of legal complications, they could not register marriage even in Bangladesh, Malaysia, Indonesia or any other country. Their children were mostly growing up in mother's country of origin in Indonesia.

In most cases, the revenue and expenditure was not able to match the calculation, but the amount of remittance transmission (RM 500-2000) was available in Bangladesh. However, it cannot be continued in all cases, because there were huge burdens on the renewal of the yearly visa as well as many additional costs besides the health and leisure. It is to be noted that the class which were growing transnational identity in Indonesia, can never send regular remittance to Bangladesh, most of their income went back to Indonesia for the maintenance and education of their children.

There were mixed answers about the reasons for migration in Malaysia, but all were agreed in one point that whether they work as a migrant, their social status as a migrant increases in the originating community. Those
who were unmarried migrants can marry themselves in an upper class family, which also have significant influence on the marital relationship of other members of their household. Those who were involved in different occupations in the country were focusing more on the improvement of social status rather than financially. According to their information, the migration in Malaysia was because of the low risk and investment in Bangladesh and the possibility of earning more in some cases than the expense, risk and emotional turmoil for migrations, because of the family's social status down due to occupational reasons. The people who were unemployed, their opinion was that even they were educated, the lack of employment opportunity in the country and the amount of investment in employment due to corruption in most cases is very high and there was no guarantee of getting it, but they also provide social status to the fore.

The Migration decision also includes mixed comments. Those married and head of the household, though, said that the decision was their own and that they are here in their own finance. But they were also said that since it was a huge investment and there is considerable risk, so after making a discussion with the family, everyone has made the final decision. Those who were not the head of household head and they have no money at their own account, they present the family's logic and information about their families, their household members took the final decision in the search and information of the other migrant networks. In this case, at first, the family has already considered the improvement of social standard and the next thing must be financially.

In reality, the purpose of the family's improvement of social values was not entirely successful, but in many cases success was seen. As many migrant who were single were married in the country and they thought that they could marry so well because of migration. In other cases, they also informed social status was increased especially in case of marriage of household members. There were 36% respondents said that they has been able to cooperate with migration and financial network in Malaysia and other countries for household members. There were 68% of respondents said that due to the increase in the social status of the family, presently in the community has to make a lot of contribution, such as the rate of monthly donation in mosque, temple has increased greatly, in many social institutions, charity and election period to the candidate were actually being spent to peace everyone's mind. There were 76% of respondents informed that the family members were able to get higher education from their sent remittance. In addition to 56% of the respondents were indicated that the family has enjoyed medical facilities due to their remittance especially elderly members of the household.

But 17% responded stated that for migration to Malaysia, they has to sold such valuable assets (gold and land), which has been market value today is so high and the value of the land is speedy increasing in Bangladesh. Nowadays by fulfilling all kinds of family and personal needs there are may not be possible to buy such kind of land assets. Moreover, the Malaysian government changes the rules and regulations frequently and increasing the costs of levy and others and there is the risk to stay for a long period. Recently, the value of Malaysia's currency has decreased greatly, but the cost of living in Bangladesh and also in Malaysia is increasing, the savings in the present situation are getting tougher.

Although the level of social status has increased significantly in Bangladesh, however being a migrant in Malaysia were deemed to be socially and stately deprecated, in this case, 93% of respondents comment on this. Most landlords do not like to rent their house when they find the Bangladeshi migrant, such answers were 76% respondents. Being a
Bangladeshi migrant, were insulted using Malay word ‘orang bangla’ receptacles in most cases, especially in the working place, this situation were faced by 89% respondents. Administratively, also has to be harassed, despite being a documented migrant, police and immigration authority have to pay monthly fixed amount through their agents, otherwise there were many threats, such comments were available from 73% of respondents. Most of the cases, a taxi driver do not like to carry fixed fares, in some cases, excess charge impose, 68% of respondents were commented on such fact and circumstances.

By analysing the table 1.1 below, it can be seen that the migrants who were working in the Malaysian service sector, in their migration decision, only three variables were significant and that is prestige, social network and household size. Although, prestige and social network are unable to account as economic value. In the migration decision making policy, the word (prestige) for the improvement of the social status of the family is new, though in the context of Bangladesh it is reason enough. If we do a deeper study of different destination countries in the socioeconomic aspect with migration costs, risk and benefits, then we may get new results.

Table 1.1 Result of logistic regression of migration decision model

| Variable | Odds ratio | Std Err | z     | p>|z| | 95% Conf Interval |
|----------|------------|---------|-------|-----|------------------|
| Var1     | 1.881650   | 0.3730681  | 2.73  | 0.005 | 1.1260658 - 3.118758 |
| Var2     | 0.7156153  | 0.0502242  | -2.50 | 0.008 | 0.6054287 - 0.8427460 |
| Var3     | 3.635387   | 2.016073   | 2.27  | 0.026 | 1.20518 - 16.00461 |
| Var4     | 1.993871   | 0.5953903  | 2.95  | 0.004 | 1.348870 - 3.229370 |
| Var5     | 1.32322    | 1.40306    | 1.32  | 0.243 | 0.6088632 - 7.120800 |
| Var6     | 1.178443   | 0.7049483  | 0.30  | 0.573 | 0.2681807 - 3.273234 |
| Var7     | 0.3801711  | 0.2036884  | -1.00 | 0.156 | 0.1281417 - 1.61470 |
| Var8     | 1.660430   | 0.1510460  | 2.51  | 0.003 | 1.014436 - 3.00503 |
| Var9     | 0.5013393  | 0.4258086  | -1.22 | 0.224 | 0.3403539 - 1.83692 |

Number of observation: 300
Log likelihood: -34.842432
Prob>chi2: 0.00000
Pseudo R2: 0.3262

Source: author calculation from survey data

While social networks play an important role in migrations especially migration motivation, but this study is seen as a leading role in migration decisions. In this case, maybe network is working, in the case of family member migration decision, it may be that a family member has migrated first and later he has got new benefits in his workplace or elsewhere and has brought some of his family or relatives. However, there is a need for deeper research in this matter.

In logistic regression model, the third variable is the household size significant. It has seen in the literature review that many studies shows that it has played a great role in the family size migration decision. In this case, a simple formula is that if there is more number of members, especially male and competent to migrations, especially in the context of Bangladesh, the household likes that at least one of their members goes abroad. The number of family members who have a higher number of family members is also a significant factor, so migration decision is certainly logical.
Conclusion

In conclusion, it can say that Bangladeshi migrants who have been working for a long time in Malaysia's in the service sector, their demographic character is very consistent with the results of other research. But there are different patterns of migrations have found that means their entry process in Malaysia is different category. There are also variations in earnings at work. Everyone is describing migration as the first purpose and motivation of family social value increase (prestige). In the case of a migration decision, the family has come to the conclusion of the decision, but in this case, the family members jointly have taken the final decision. However, in the destination country, in Malaysia, discrimination is observed in workplace and other social sectors. Horizontal and vertical positive socioeconomic impacts are being observed in their family and society in different areas of the origin country, such as the overall health of the family, including education has improved slightly. There is also evidence, the proposed conceptual model is theoretically and empirically supporting.

The expected research outcome is a clear understanding of how unskilled temporary male Bangladeshi migrant workers make the migration decision whether individually or as a joint household decision, how socio-demographic attributes affect the decision and what the costs and outcomes of the decision are. It is also a clearer understanding of the theoretical foundations of this phenomenon will be gained to throw light on the current migration theories. An opportunity to describe their socio-economic situations and the migration experiences during the migration period in Malaysia.

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