

Free Movement of Unskilled and Semi-Skilled Workers

SAARC should Identify a Common Position

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Background

SAARC have made a lot of promises of for establishing peace and prosperity in the South Asian region since its journey in 1985, but ironically, till this regional organization is far beyond from achieving its goal. Besides, having many problems like poverty, hunger, malnutrition etc. in South Asian countries, we also have prospective resources, both natural and human, which proper and effective management could contribute to the country's growth and could help poverty alleviation South Asia has nearly 1.42 billion population. More than 80 per cent of its population lives in the poverty line most of who earn their livings either by creating self employment opportunity with small trading or join in overseas labor market as unskilled and semi-skilled workers. From all the South Asian countries a huge volume unskilled and semi-skilled workers move to other developing and developed countries but the discussion on establishing workers rights and migration has been unseen till last 13th Summit of SAARC held in Dhaka in 2005.

SAARC leaders have to effective measures to facilitate free and un-impediment movement of its semi and unskilled labors in the international labor market, and also to develop its population as human capital so that they could compete for wider and better employment options.

South Asian Labour Market

South Asia has a scarcity of technologically skilled or semi-skilled professional workers. The scenario of such labour market markets has also a dual character. In the vast rural sectors, especially agricultural sector, labour is highly segmented and dispersed. The urban economy is also divided into small, formal sector and a very large informal sector. The Informal sector is characterized by the predominance the most vulnerable sections, namely, migrant workers, women, child and bonded labour and various categories of unprotected labour.

Labour Market: Bangladesh Scenario

Sector wise Labour Force Percentage	
Sector	Percentage
Industrial Sector	11%
Agricultural Sector	63%
Service Sector	26%
Total	100%

Source: BBS

In 1996, approximately 11% of the civilian labor force was employed in the industrial sector. Agriculture accounted for 63% of workers, and service employees were 26% of the labor force. Scarcity of informal workers' is exist in each sector and most of informal workers' are unskilled or semi-skilled.

Overseas Labour Market for Bangladesh

Overseas employment is one of the major and prospective employment scopes for the South Asian unskilled/ semi-skilled labours, same as for Bangladesh, who annually earns

US\$ 5.5 billion remittances from its nationals working in foreign labour markets. Possibly this is the biggest net inflow of foreign exchange and which is next to the country's export earning from RMG sector.

Table 1: Percentage distribution of Bangladeshi workers by country of destination (Sept 2003)

SL	Country	Migrant Worker %
1	Saudi Arabia	51.78
2	Kuwait	9.46
3	UAE	12.46
4	Qatar	2.58
5	Iraq	1.58
6	Libyan Arab	1.44
7	Bahrain	2.68
8	Oman	6.42
9	Malaysia	7.19
10	Korea	0.37
11	Singapore	2.99
12	Others	1.10

Source: Prepared from BMET data 2003

International trade in services is continually growing, making bigger contributions to the gross domestic product of countries. For the period 2000-2003, trade in services represented 16 per cent of the total trade of developing countries, expanding at the same pace as their trade in goods. While the share of workers employed in services activities is about 30-40 per cent in developing countries as a group, it has reached 53 per cent in some developing economies and hovers around 70 per cent in most developed countries.

Source: UNCTAD, Handbook of Statistics, 2004. Also see Participation of the developing economies in the global trading system, WT/COMTD/W/136.

Workers Mobility Perspective of Least Developed Countries

Trade and Investment has been made global in this Neo-liberal economic era, but workers have been barred from free movement. The neo-liberal economy has broken the agriculture centered traditional employment system by replacing technology dependent employment pattern. These trends have reduced self-employment and the rural people have migrated to urban areas for hunting employment.

The objective of neo-liberal economy is to create employment, it is said; but in real practice we have found that it has destroyed self-employment and local industries where most of the people employed. As a result, the rural people migrates to urban areas for employment and few finds it in other countries.

The level of Bangladeshi workers who migrates to other countries has been showed at the following table-2. Most of the Bangladeshi migrated workers' are semi-skilled and unskilled, it table shows. Mobility of workers has been regulated with service sector liberalization and it has been

benefited only the skilled workers as well as developed and developing countries.

Table 2: Percentage distribution of Bangladeshi migrant workers by level of skills (1977- 203)

Year	Professional	Skilled	Semi-Skilled	Unskilled	Total
1977	9.33	29.16	8.92	52.59	6087
1980	6.59	40.60	7.79	45.02	30073
1990	5.78	34.30	20.03	39.88	103814
1995	3.39	31.94	17.09	47.58	187543
2000	4.79	44.73	11.88	38.60	222686
2003	6.09	29.53	11.93	52.45	185523
Total	4.40	31.80	16.66	47.14	3582402

Source: Prepared from BMET data, 2003,

Note: 150,000 Bangladeshi workers legalized in Malaysia during 1997

Table 3: Percentage increase/decrease in number of migrant workers and remittances over the previous year (1977-2002)

Year	Number of migrants	Increase/ decrease %	Remittance (us \$ million)	Increase/ Decrease %
1977	15,725	158.33	82.79	249.18
1980	55,787	85.51	304.88	1.18
1990	103,814	2.05	781.54	3.12
1995	187,543	0.65	1,201.52	4.16
2000	222,686	-16.96	1,954	958.21
2002	225,256	19.20	2,847.79	37.50
Total	2,909,972		18,058.74	

Source: From BMET data, 2003, International labour migration from Bangladesh: A decent work perspective, ILO Working Paper 66, BY Tasneem Siddiqui

WTO Rules on Workers' Movement

"Had Mode 4 been allowed, it would have helped our remittance to reach US\$15 to \$20 billion from the existing amount of \$4.8 billion."

- Mahbubur Rahman, ICC-B President

Source: The Daily Star, 16 July 2006

Free movement of natural persons has been regulated by different mode of GATS (General Agreement on Trade in Services) under WTO rules. Workers' are permitted for free movement by Mode-4 of GATS. Workers under Mode 4 are not granted access to the local labor market. A foreign firm must either employ them with commercial presence where the service is provided or be under a contract for the provision of a service. They cannot be unemployed-visa and right to stay dependent on employment. One interpretation of the GATS language on Mode 4 would allow local firms to import foreign workers through contracting with independent foreign service providers or subcontracting with foreign firms. Temporary currently undefined, but WTO members have agreed on periods ranging from a few weeks to three to five years.

Under Mode 4, there are commitments that cover four categories of service personnel, including: Services salespersons (e.g. insurance sales person);

Intra-corporate transferees (e.g. executives, managers, and specialists);

Business visitors (e.g. personnel engaged in establishing a foreign office or subsidiary);

Independent contract suppliers (e.g. doctor or architect).

Free Movement of Unskilled and Semi-Skilled Workers: Quest for a common Position of SAARC

The civil society of regions urges to negotiate within SAARC to establish a common position on not to Service Sector liberalization and Mode-4 utilization to make it flexible for visa free movement of semi-skilled and unskilled workers.

India, Pakistan and Sri Lanka are only the developing nations and other 5 countries e.g. Bangladesh, Nepal, Bhutan, Maldives and Afghanistan are the least developed countries in the South Asian Region. All of the SAARC Countries-developing and LDCs have scarcity of unskilled and semi-skilled workers' and the time demands to utilize them as resources instead of problem.

Free movement of these unskilled and semi-skilled workers to the rich countries could be a great opportunity to earn more foreign remittances for national economic growth and development.

At the present context of global order, SAARC Countries, irrespective of developing and LDCs should unite on the issue of free movement of unskilled and semi-skilled workers' to develop a common position at negotiation table at the global level, specially at multilateral agreement, at WTO in particular.