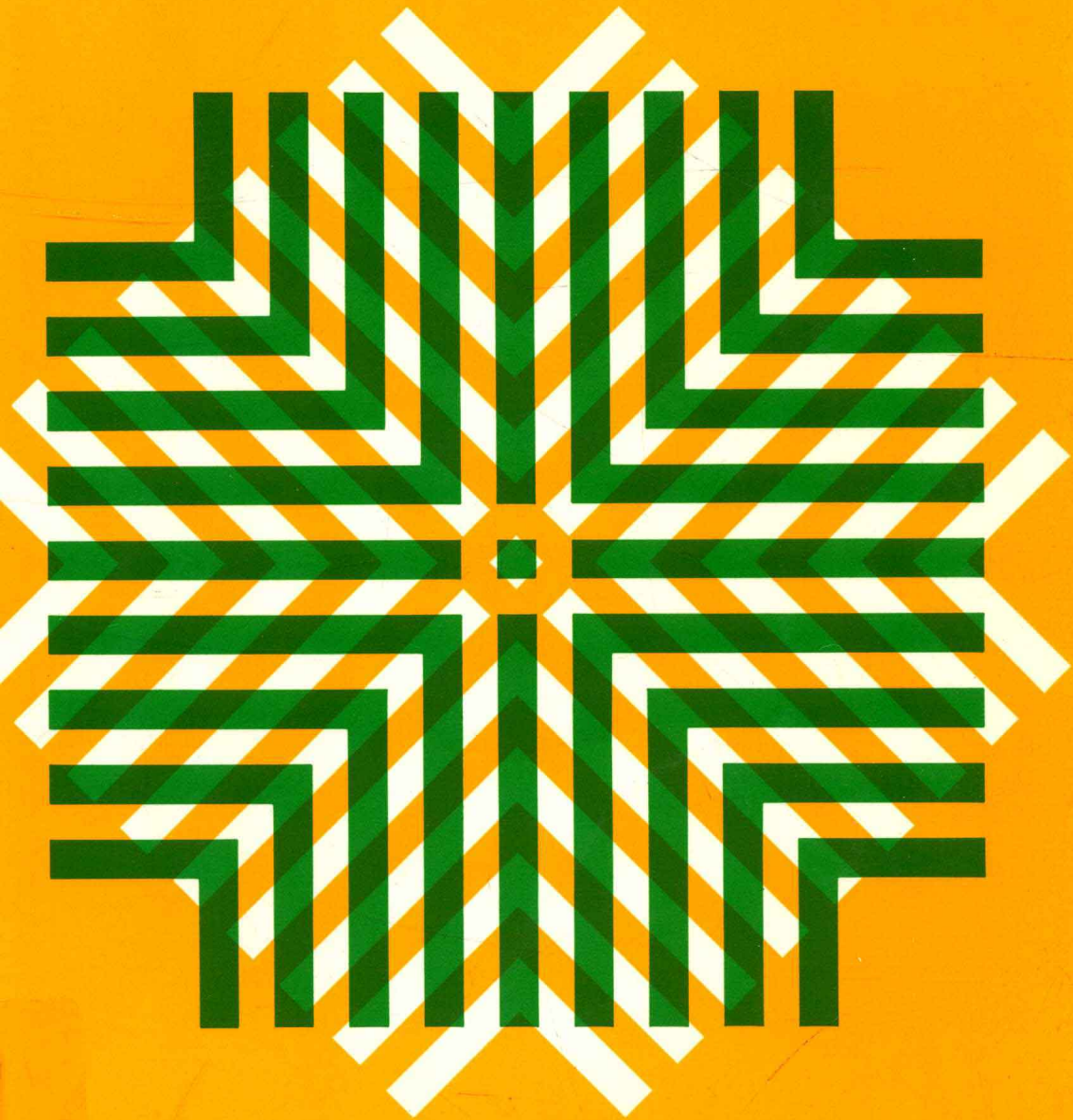


Migration to the Arab World

Experience of Returning Migrants

Edited by Godfrey Gunatilleke



MIGRATION TO THE ARAB WORLD: EXPERIENCE OF RETURNING MIGRANTS

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INTRODUCTION

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The present volume is a sequel to *Migration of Asian Workers to the Arab World*, which surveyed the experiences of the migration in seven Asian countries on the basis of the information and data available from existing secondary sources. The countries that participated in the project were: Bangladesh, India (State of Kerala), Republic of Korea, Pakistan, Philippines, Sri Lanka, and Thailand. The state-of-the-art survey in the previous volume was the first phase of a research project sponsored by the United Nations University to examine the global impact of human migration. The Asian migration to Arab countries was selected as one important component of that project.

In its second phase the project organized studies in the seven countries that had originally participated in the research. In these studies the project aimed to verify and further explore some of the general conclusions that emerged from the state-of-the-art survey by means of a comprehensive survey and analysis of the experience of a representative group of about 500 migrants who had returned after the migration. The project thereby expected to gather a body of reliable primary data for itself, within a framework which facilitated inter-country comparisons and which provided the scope for further in-depth inquiry into selected aspects of the migration.

The Scope of the Study

The survey covered all three phases of the migration: the pre-migration phase during which migrants seek employment, are recruited and make preparations for the migration; the period of their employment abroad when households as well as migrants adjust to the new circumstances and manage the new flows of income they receive; and the period after return, with the process of reintegration and readjustment that follows. The survey selected migrants who had returned after employment abroad because these migrants were able to speak for the entire process of migration, from the time they seek employment abroad, through their sojourn in the host country, to their final return and reabsorption in the home

country. The survey sought answers to a wide range of questions in each phase of the migration.

First, it gathered detailed information on the social and demographic characteristics of the migrants, their motivation in seeking employment, and the goals and objectives they had set for themselves.

Next, the survey examined how the migrants were recruited and what problems they encountered in the process of recruitment; how they prepared for the migration, in terms of training and orientation as well as seeking knowledge and information about the host country. The survey inquired in some depth into the manner in which the prevalent system and existing government machinery functioned to regulate and facilitate the migration. It obtained information on the costs that were incurred and the incidence of fraud and irregularity committed by agents and intermediaries.

Third, the survey dealt with the conditions of employment in the host country and how the migrants adjusted to their foreign environment and their separation from home. It also covered the situation of the family that had been left behind, and the impact the migration had on spouse, children, and intra-family relations.

Fourth, the data were gathered in such a way as to facilitate comparison between the condition of households prior to migration and their condition after employment abroad. Therefore, one of the central components of the survey was the impact of the migration on the material well-being of the migrant and his family in terms of wealth, income, and quality of life. This included their nutrition, housing, and education.

Fifth, the survey dealt with the migrant's return and examined how he had re-entered the workforce, and whether the migration had helped him to achieve a sustained improvement in his standard of living.

The survey also examined the impact of the migration on human resource development in its widest sense – the acquisition of new skills and aptitudes, attitudinal and ideological changes, and the effect on the relationship between the migrant and his family and the community in which they lived.

These were some of the main questions explored in the survey. The project thus aimed to evaluate the impact of the migration both on the economic well-being of the migrant and his family and on their total human development.

Before the survey was undertaken, the researchers met at a workshop in which the research design, the interview schedule, and the methodology for the selection of the sample were discussed at length and a comparative framework was accepted for the study as a whole. The methodology for selecting the sample varied according to the needs of the different countries. The task of identifying the migrants for inclusion in the sample posed a variety of problems and revealed the serious deficiencies in the systems of information that were available regarding the migration. There was no readily available source in any of the countries from which the researchers could prepare a reliable sample frame. In most cases the migrants had to be selected purposively either from locations which were known to have supplied migrants on a large scale, as in the case of Bangladesh or the Philippines, or from institutions and firms, as in the case of the Republic of Korea. The Sri Lankan researchers first compiled a list of 5,000 migrants through visits and field investigations, and used this as the frame from which they drew the final sample. While the sample designs employed by the researchers could not ensure a

statistically representative sample for the migration as a whole, they were able to select a sample which corresponded to the composition of the migrant flow in terms of the mix of skills and their regional distribution. This they were able to do on the basis of the information that had already been gathered in previous surveys and studies. As a result of these problems, there was some variation in the size of the sample. While Sri Lanka, the Philippines, Thailand, and the Republic of Korea selected samples ranging between 480 and 510, the sample in Bangladesh covered 368 migrants, and the Kerala sample included 696.

As this survey was confined to migrants who had returned after employment abroad, the sample comprised persons who, by and large, were successful in obtaining employment in the Arab countries. As a result, the survey sample did not adequately represent those persons who had failed in their attempts to migrate for a variety of reasons, such as fraud and malpractices relating to the recruitment process. Therefore, the deficiencies in the prevailing system and the extent of victimization are not fully revealed in the survey, except through the experiences of the migrants who succeeded in migrating.

There were other inherent constraints and limitations in the type of survey that was undertaken, and the authors have drawn attention to these in their analysis. One problem with the methodology that had been adopted was that of recall. Most researchers were not able to obtain accurate and firm data on various aspects of the migration, such as incomes earned by the household prior to migration, the exact amounts that were earned, spent, and saved abroad and remitted home, and the nature and intensity of the adjustments faced by both the migrant in the host country and the families that were left behind. These problems of exactitude, however, do not seriously affect the reliability of the data for the purpose of making reasonable estimates and assessments. In most cases the estimates of earnings, savings, and investments were related to the assets that had been acquired, or the improvements that had been made, or the savings that had been accumulated and were still available. Very often, these were demonstrable aids to recall and were adequate for the purpose of the evaluation attempted in the study. Similarly, some of the main events in the different phases of migration, as they related to the recruitment, the nature of the contract, the procedures followed for remittances, and the mode of communication with the family, seldom presented serious problems of recall.

Another problem to which the researchers draw attention is the subjective bias in the responses made by the migrants. It is likely that some migrants suppress certain of the unpleasant and negative experiences that they may have had, and are boastful of their achievements. On the other hand, migrants who were not particularly successful may tend to exaggerate the negative features of the migration and present them as an experience that should be avoided. There is no doubt that the account of the migration is coloured by the character traits of the migrants themselves, and to that extent distorts both the positive and the negative aspects of the migration. This is particularly applicable to the questions relating to the impact of the migration on the personal lives and relationships of the migrants and their families. Any conclusions regarding the extent of the distortion that subjective biases introduced into the responses of migrants must, however, remain speculative.

It is without doubt difficult to ascertain the human cost of the migration through

a single "question-and-answer" type of inquiry. The researcher would have to probe beneath what is apparent to the migrant, or even what is consciously accepted by him, and observe his life and relationships over a period of time. The project did not provide for such participant observation. It also did not test the migrant's responses against those of the household and family, although in many of the studies the interview took place in the home, very often in the presence of other members of the household. As a result, there was sufficient interaction to reflect the situation of the household as a whole in areas where the spouse and the children might be involved.

The project, as it was designed, confined the scope of its inquiry to an intensive examination of the individual experiences of the migrants. It did not attempt to place the migration within the context of the larger political and social structures in each country, or to examine the "political economy" of the migration to the Arab countries. In a few of the studies some of these larger constraints, which are inherent in the ongoing socio-economic and political processes in the different countries, are reflected in the individual experiences of the migrants. The Kerala study refers to the inordinate cost of the migration to the individual migrant, and attributes this to the unregulated character of the migration, where the state has been unable to enforce the required norms and where the recruiting agencies form a powerful interest group. The Pakistan study refers to the proliferation of private investment banks, which attracted the savings of expatriates and then managed these resources in a manner disadvantageous to the migrants. The Bangladesh study describes in some detail the way in which the migration has forged links with the economy through the various new services and activities that it has generated.

In each case the migration has become a multifaceted, profitable economic activity. The way, therefore, in which the benefits of the migration accrue to the migrant himself will depend to a great extent on the prevailing economic system and how it functions. This applies to all phases of the migration, but it is most evident in the recruitment phase, where the businesses dealing with the migration itself are most active, and in the return phase, where the savings skills and other capacities are put to use in the domestic economy. In both these stages, intermediaries and entrepreneurs of various types enter the scene and exploit the conditions that enable them to appropriate a large share of the economic benefits of the migration. This distribution of benefits is often influenced by political processes as well. Those in positions of power that are linked to the regulation and management of the migration find ready-made opportunities to acquire an interest in this new market.

As noted later, most studies reveal that a significant proportion of the migrants showed a strong preference for self-employment. The extent to which the aspirations of the migrants in this category are realized will depend essentially on the place given to the small entrepreneur and the small investor in the national system, and this in turn is largely determined by the political character of the ruling élites and the way in which it balances the interests of big business with the promotion of small enterprise and self-employment. The studies were unable to undertake serious examination of many of these politico-economic aspects and have had to confine themselves to the observations that arise from the specific experience of migrants. While an inter-country comparison of these factors in the seven countries would provide valuable insights as regards our total understanding of the migration, it would have to form part of a separate study.

Table 1. Skill composition of migrants (percentages)

Country	Unskilled ^{a,b}	Skilled ^a	Mid-level ^c	High-level ^c
Republic of Korea	8.5	70	13.1	8.5
Bangladesh	35	50	15	15
Philippines	—	78	22	22
Pakistan	45	37	18	18
Thailand	28	60	12	12
Sri Lanka	74	21	5	5
State of Kerala (India)	48	24	25	25

a. Skilled and unskilled include all manual labour, such as construction labour, operators of equipment, house workers, caretakers, and service workers of all types.

b. The distinction between semi-skilled and unskilled is not always clear. The semi-skilled have been classified among the unskilled in some samples and among the skilled in others.

c. Mid-level and high-level workers include white-collar jobs and supervisory, technical, and professional grades.

The Demographic and Socio-economic Characteristics of Migrants: An Inter-country Comparison

The seven country studies also have special value in that they provide a fairly comprehensive survey of the experience of migration as it occurs in a broad spectrum of development in the developing countries of Asia. The migrant samples, which, as stated earlier, are broadly representative of the migration to the Middle East from each of these countries, show considerable variation in their profiles of skill, age, gender, educational level, and other socio-economic characteristics.

There are distinct differences between the level of skill of the migrants from the South Asian countries and those of the three countries from South-East and East Asia. The four South Asian countries have a much larger proportion of unskilled jobs, whereas this category accounts for less than 10 per cent of the migrants from the Republic of Korea and none from the Philippines. The proportion of unskilled from Thailand, at 28 per cent, is still considerably lower than that from Pakistan, Kerala, or Sri Lanka. The sample for Bangladesh is not altogether representative of the skill composition in the national outflow; even so, the proportion of unskilled in the Bangladesh sample is also higher, at 35 per cent. Other more representative surveys have indicated that the proportion of unskilled in the migrant outflow from Bangladesh is as high as 50 per cent. Several factors seem to combine to produce this regional distribution of skills. In a market in which the supply of unskilled and semi-skilled labour is abundant, host countries are able to bid down wages to levels which give the low-wage countries of South Asia a competitive edge in this labour category over the other sending countries.

The distribution of skills of migrants among the different sending countries and the proportions of the different skills in each sample bears some relationship to the differentials between the foreign and domestic wages for the different skills and grades. The differentials for unskilled wages in the case of the Republic of Korea, the Philippines, and Thailand do not appear to attract these grades in the same proportions as in the South Asian countries. Other costs, such as travel, are likely to be lower for South Asian migrants, as they come from closer destinations. In the

case of skilled labour, however, the situation tends to be different, as the supply is less elastic and the relatively scarce skills have to be recruited from various countries depending on their availability. However, there are special characteristics in the labour market of the host countries which cannot be explained entirely in terms of supply and demand. These include preferences based on religious, social, and cultural grounds as well as other distortions, such as those introduced by the processes of recruitment and the appropriations made by the intermediaries in both the host and the labour-supplying countries. There is also some differentiation in wage payments to migrants depending on the country of origin, and to this extent the labour supply is segmented. This differentiation is related in part to the host country's perception of varying proficiency and competence, such as literacy or the average level of performance of workers from each country based on past experience. These, among other factors, influence the distribution of skills in the migrant workforce among the countries of the region.

All country samples contain a small component of middle and higher level skills in clerical, supervisory, and professional grades. This proportion was highest in the Republic of Korea, the Philippines and Kerala, rising to over 20 per cent of the total sample. It was much lower for the other four countries, ranging from around 5 to 12 per cent. The managerial and supervisory component in the case of Korea is linked to the special nature of migration, which results in the transfer to the host country of a full working unit, including workers of all grades, from unskilled labour to management. In the case of the Philippines and Kerala, the supply of middle- and high-level workers reflects the relatively high rates of national participation in the upper levels of education. Kerala in particular presents an interesting case in its composition of skills, with sizeable components in the unskilled as well as in the middle and higher categories.

The educational profile of the migrants from the seven countries does not reveal the same comparative pattern as the skill profile. The Sri Lankan and Kerala samples, which have high proportions of unskilled labour, have also relatively high educational levels, comparing favourably with those of the three countries that had larger proportions of skilled labour in their samples. The Philippines sample shows the highest educational level, and correspondingly its skill composition of migrants does not include unskilled labour. Over 16 per cent of the migrants in both Bangladesh and Pakistan have no formal education. When the educational levels of the migrants are compared with the average educational levels for the population as a whole, it would appear that for most of the countries the average educational level of migrants is higher than the national average. The better-educated appear to have had greater access to the opportunities for employment abroad, even in the case of the unskilled category. This is clearly reflected in, for example, the data for Bangladesh and Pakistan, where the proportion with no formal education is much lower than the national average and the proportion with secondary-school education considerably higher.

Although there are noticeable differences in the age composition of the workforce, on the whole the large majority of the workers are under 35 years. The youngest workforce in the sample is from Pakistan, where approximately 37 per cent of the migrants are less than 25 years of age at the time of migration. Kerala and Bangladesh come next, with 32 per cent and 30 per cent respectively in this

Table 2. Educational level of migrants (percentages)

Country	No formal education	Primary	Secondary		Tertiary
			Lower	Upper	
Bangladesh	17	26	29	19	9
Kerala (India)	7	47	22	18	6
Republic of Korea	1	19	24	41	15
Pakistan	16	16	54	12	2
Philippines				88	12
Sri Lanka	2	22	75	75	1
Thailand		88	12	12	

age-group. The other countries have relatively older migrant workers. Korea had only 20 per cent of its workforce below the age of 25, Sri Lanka 10, and the Philippines 6. In the case of Korea and the Philippines, the higher skill composition is likely to be related to the somewhat older workforce with longer work experience. No such relationship, however, can be observed in the case of Sri Lanka, where the large majority of the workers are in the unskilled category.

As might be expected, the share of married workers in the migrant workforce is larger for the migrant samples which have an older age composition. About two-thirds of the migrant workers or more are married in the case of Sri Lanka, the Philippines, Thailand, and Korea. The data for Bangladesh are not comparable, as they refer to marital status after return; most of the unmarried migrants who had returned with earnings from abroad would have married and set up new households. The number of heads of households should normally bear a fairly close relationship to marital status. The proportion of heads of households for Korea, the Philippines, and Thailand does not differ very much from the number married. The situation is, however, very different for Pakistan, Sri Lanka, and Kerala. In the case of Kerala and Sri Lanka, the proportion of heads of households is in the region of 20 per cent of the total sample, although the number married amounts to a much larger share. In the case of Pakistan, the number of heads of households is double that of married workers. Sri Lanka sends as housemaids a large number of married females, who do not enjoy the position of head of household. The circumstances that have contributed to the very sharp difference between the situations of Pakistan and Kerala are not clear from the data gathered in the studies. In one case, migrants had married at a very young age prior to migration, but have not assumed the responsibilities of heads of households. In the other case, young workers remained unmarried but had already moved into the position of head of household.

The married state and responsibility as head of household are important factors, affecting first the nature of the adjustments that have to be made by both families as well as migrants and, second, the performance in terms of savings and the use of the incomes earned. Migration imposes stresses on the migrant and the household through separation. It places new responsibilities on the family. At the same time the married condition provides stronger motivation to maximize the benefits of the migration. On these criteria, both the problems of adjustment and the

Table 3. Distribution of migrants by age and gender (percentages)

Country	Age			Gender	
	Under 25	25–34	Over 35	Male	Female
Bangladesh	30	34 (25–30 yrs) ^a	36 (over 30 yrs)	100	—
Kerala (India)	32	38	30	100	—
Republic of Korea	20	60	20	100	—
Pakistan	37	45	18	100	—
Philippines	6	44	50	93	7
Sri Lanka	10	51	39	38	62
Thailand	30 (21–30 yrs)	43 (31–40 yrs)	27 (over 40 yrs)	100	—

a. The figures in parentheses refer to the age-groups for these countries, which deviate slightly from those given in the columns.

motivation to derive the full benefit from the migration have been present to a high degree in countries such as Korea, the Philippines and Thailand, which had the largest proportions of married household heads.

Family size and the number of working members, factors that are closely related to the economic status of the households from which workers migrate, vary from country to country. The size of households was much larger for the four South Asian countries than for the three countries in South-East Asia and East Asia. At the same time the number of working members per household was less. For example, the average household size in Kerala was approximately 8, with one working member per household. In Pakistan it was 7 with 1.68 working members. In contrast, Thailand had a family size of 5.1 with three working members, and Korea 4 to 4.5 for the different categories of workers with approximately 1.75 working members. The smaller family with more working members provided a stronger resource base for the migrant, and would have normally given greater scope for savings and for maximization of the benefits of the migration.

Sri Lanka and Kerala included a large number of migrants who were unemployed at the time of migration. The figures were as high as 30 per cent for Kerala and 24 per cent for Sri Lanka. At the other end, the Korean migrants were almost all employed prior to the migration. In-between are the other countries, containing 10 to 12 per cent of unemployed as well as a few students who had not yet entered the workforce. For both Sri Lanka and Kerala, the migration, which included a significant component of unemployed workers, helped to mitigate the problems of high unemployment both by absorbing some of the unemployed and by creating employment opportunities through the outflow of those already employed. From the evidence available through other studies of the migration, the outflow of labour does not appear to have created any major problems in the domestic labour market, in regard to the supply; what problems there were, for example in the case of construction labour in Sri Lanka, were soon overcome through accelerated training and other supply measures.

The migrants from South Asian countries come from households that are more disadvantaged socio-economically and have lower levels of income than those from other countries. On the whole, the nature of the incremental benefits that the

migration brings to households in the South Asian situation would be higher, and any national economic loss in terms of the migration of skills that are needed domestically would be lower, than for the other countries. The inter-country comparison of the socio-economic status of the households in the seven samples would not be significantly different from the comparison of the per capita incomes of these countries for the population as a whole. Bangladesh, Kerala, Sri Lanka, and Pakistan are all in the category of low-income countries as defined in the World Development Report, with per capita incomes ranging from US\$150 for Bangladesh to US\$380 for Sri Lanka. The Philippines and Thailand are in the middle-income category, with per capita incomes of US\$580 and US\$800 respectively, while Korea is in the upper-middle-income group, with a much higher per capita income of US\$2,150. As might be expected, the inter-country sample reflected these large regional disparities of income.

From the samples that have been studied, it can be said that the migration to the Arab countries has included the lower-income strata and the manual workers of the sending countries as no other migration flow from these countries has ever done before. To the question of whether the migration reached the poorest segments of these societies, the answer is less clear. From the socio-economic characteristics of the migrants in the samples, such as their educational levels and locations, it would appear that the migration did not include a significant component of the segments that were most deprived or in absolute poverty; most came from social layers that were above this segment. It was those migrants who had had some years of schooling, and who were close to urban centres, who were able to seize the opportunities that emerged. The migrant samples that have been studied, however, refer to the early and middle phases of the migration. As the demonstration effects of the migration and the information regarding the opportunities spread, it is likely that some of the segments which had previously been excluded would begin to take part. The extent to which this happened would depend on a number of factors. At the national level the processes of recruitment would have to function more equitably and efficiently; and in the host countries the demand for foreign labour would have to be sustained without significant contraction if new social layers were to participate in the migration.

The disparities in income between employment abroad and employment at home become progressively narrower as we move from the lowest-income countries to the highest – that is, the Republic of Korea. Whereas for the lowest-paid migrant from Sri Lanka – the housemaid – the difference may be as much as ten-fold, in Korea it has narrowed down to two-and-a-half times. As can be observed from table 4, a significant number of the migrants, particularly from the South Asian countries, are unemployed and have no earned income prior to the migration. This, of course, has a variety of implications for the push-and-pull factors of the migration. In the case of the migrants from the poor countries, their entire orientation to the migration and their perspective regarding the benefits that it might bring will be influenced by one compelling motive – the desire to escape their present dire poverty and, in many instances, a situation of long-term unemployment. In such a situation, the better future life that has to be realized, and the specific nature of the improvements and investments, financial and human, that are required for that better life, are seldom clearly articulated in the minds of migrants; the changes that they desire are seen mainly in terms of moving out of

Table 4. Distribution of migrants by marital, household, and activity status (percentages)

Country	Married	Single	Heads of households	Unemployed
Bangladesh	—	—	—	12
Kerala (India)	49	51	21	38
Republic of Korea	64	36	67	—
Pakistan	24	76	50	11
Philippines	77	23	—	10
Sri Lanka	66	32	22	24
Thailand	88	12	83	—

present hardship, and a generalized radical change and improvement. In the case of the migrants from Korea what is desired is an incremental improvement. The quality of life already enjoyed provides some basis on which future improvements can be clearly identified, defined, and planned as a part of the goals of the migration. Similarly, the management of the migration becomes an easier task when the increment to the income is not inordinately higher than the current income. The Korean household, with an income that is regular and of a reasonable size, would be much better equipped to plan, budget, and manage the twofold increment that it receives than a poor household in Sri Lanka, which, after barely having enough money to satisfy basic needs, is now receiving a five- to tenfold increase in income. It is, therefore, not surprising that in terms of most criteria, such as savings, achievement of the specific economic objectives of the migration, and improvement in economic status, the outcome for the majority of Korean migrants was positive.

An Overview of Costs and Benefits

The process of recruitment is one of the most decisive factors of migration. The studies show that the channel of recruitment and the type of intermediary often determines the costs of migration and the nature of the contract the migrant receives, and the reliability of the contractual arrangements that are made. With the exception of Korea, migrants had recourse to informal channels and unlicensed recruiting agents in varying proportions. For example, in Kerala, licensed recruiting agencies accounted for only a small proportion, of less than 8 per cent. In Pakistan, illegal private agencies and friends and relatives were the channels of recruitment for nearly 37 per cent of the migrants. In Bangladesh, Sri Lanka, and the Philippines, the informal channels of friends, relatives, and unlicensed agencies accounted for smaller proportions, ranging from about 20 per cent in Bangladesh to approximately 11 per cent in the Philippines.

When the cost of migration is estimated as a proportion of the earnings of migrants abroad, the migrants from Kerala appear to be faring the worst. The average cost to a Kerala migrant is reported to be approximately Rs. 9,000 in the sample that was interviewed. This compares with the average monthly earnings of migrants, which for approximately 77 per cent were below Rs. 3,000 in the first job they

held abroad. It would appear that the migrant has to use approximately four to five months' earnings abroad to offset the cost of migration. The next highest costs per migrant were observed in Thailand, where the payments made by migrants averaged approximately 30,000 to 40,000 baht, or three to four times their monthly earnings. Costs begin to fall significantly with the other countries: according to the surveys in Bangladesh and Pakistan, they come to approximately two to two-and-a-half months' earnings; in Sri Lanka and the Philippines, they are less than a month's earnings; and in Korea, less than half a month's earnings. These, however, were the average figures for the samples surveyed. They masked significant variations. The unskilled migrants and those who were illiterate or had low educational attainments appear to have fared the worst while being also the ones who could afford least. In Bangladesh the average cost for the professional was in the region of 22,000 taka, the equivalent of about a month's salary; the unskilled worker incurred nearly five times his month's salary – an average of 35,000 taka. In Kerala, the college-educated or degree-holding migrant incurred approximately Rs. 20,000 as migration costs, while 20 per cent of illiterate migrants spent more than this amount on average.

On the whole, migrants appear to have learnt from the experience of other migrants who were known to them, or from their own experience abroad, or from cases of malpractice and irregularity that had been reported in the media. In Thailand, although the role of the state in the recruitment process and in its regulation was relatively weak, the average migrant appears to have had enough information and knowledge to avoid being defrauded or cheated. The contract agents who had set themselves up in the business of supplying labour to the Arab countries were either from the location in which they were recruiting the labour or were migrants themselves. The Thai study reports that over time the incidence of fraud and irregularity seems to have declined. But on the whole it appears that where the state was active in enforcing norms and regulating the recruitment process, the costs of migration were comparatively low and the incidence of irregularity as reported in the surveys was also low. This is seen in the surveys in Korea, the Philippines, and Sri Lanka.

Recent information indicates that the situation has deteriorated in Sri Lanka and the Philippines and that payments made by migrants to intermediaries have risen substantially, often reaching the equivalent of three to four months' salary earned abroad. Certain features that are inherent in the labour market for migration appear to be contributing to these conditions. On the one hand, the gap between domestic wages and wages earned abroad continues to be very wide for most of the countries participating in the migration, particularly the South Asian countries. On the other hand, there is a considerable over-supply of prospective migrants seeking employment abroad. These factors combine to create market conditions in which the distribution of the benefits of the migration become weighted heavily in favour of the intermediaries. Migrants appear to be competing among themselves for employment abroad, and are willing to part with a substantial share of their earnings to secure such employment, provided what remains for them is still significantly more than they can hope to earn at home. Among the intermediaries, however, there appears to be less competition, even though the capital required for establishing a recruiting agency is small; but establishing the right links and gaining access to the labour market in host countries will operate as a limiting

Table 5. Costs of migration, income and savings of Asian migrants to Arab countries^a

Country	Cost of migration	Monthly income abroad	Average savings (%)
Republic of Korea	Less than 200,000 won	542,000 won	80
Philippines	4,200–6,000 pesos	(Total income) above 80,000 pesos	55
Thailand	30,000–40,000 baht	8,000–10,000 baht	80
Pakistan	Rs. 9,000	Rs. 4,000–6,500	65
Kerala (India)	Rs. 9,000	Below Rs. 3,000 (77%) Rs. 3,000–5,000 (18%)	46
Bangladesh	26,000 taka	11,000 taka (av.) 7,000 taka (unskilled)	70
Sri Lanka	Rs. 1,500 (females) ^b Rs. 3,000 (males)	Rs. 2,600 (females) Rs. 7,000 (males)	76

a. Estimates derived from country studies.

b. Mainly housemaids.

factor. Furthermore, there is evidence that with slower growth of demand for imported labour in the Arab countries, the principal recruiting agents in those countries either reduce their commissions to local agents, impose new levies, or are not willing to defray travel costs, all of which are transmitted to the migrants as costs to be borne by them. State interventions to improve the conditions for the migrants so as to ensure that they retain the major share of their earnings need to be carefully designed. However, state regulation and bureaucratic controls of the migration, by themselves, can create bottlenecks and produce their own forms of corruption, resulting in a reduction of the total outflow. What might produce better results is a mix of policies in which more effective monitoring of recruiting agencies is combined with the promotion of healthier competition among the agencies, which can also include a state agency.

Table 5 presents a comparison of the costs, monthly earnings and savings of the migrants surveyed in the seven countries. As stated earlier, most of the samples correspond to the skill composition of the national migrant flow to the Arab countries as used in the available national data. The only exception is probably the Bangladesh sample, where the weight of the skilled and the higher-level migrants appears to be significantly higher in the sample than in the national figures. As a result, the average earnings and savings derived from the data in the Bangladeshi study are higher than the national averages. However, the study presents the data on the various categories of migrants, from which conclusions can be drawn about the situation of each category. With the exception of Kerala and the Philippines, the remittances of migrants as a proportion of their earnings are quite high, ranging from approximately 75 per cent for Sri Lanka to over 80 per cent for Korea. Although, in the cases of Kerala and the Philippines, the aggregate savings of migrants taken by themselves are quite substantial, the significantly lower rate in comparison to the other countries deserves closer examination. It is difficult to explain

why their rate of savings should have been considerably lower. The possible explanations are that they either retained their savings abroad or transferred them illegally and were not willing to disclose information on such savings or transfers. The prevailing exchange rate and the lack of incentives for transfers may well have contributed to this situation. The surveys, however, do not throw light on either of these alternative explanations.

All the studies show that on a straightforward financial cost–benefit evaluation of the migration, the average migrant benefitted substantially. The financial benefits, taken as a whole, far outweigh the costs, including both the expenditure actually incurred on the migration and the earnings forgone. This general conclusion, however, obscures many of the significant deviations from the average; it also evades a much more fundamental issue, concerning the gap between potential and actual performance. Finally, the evaluation in terms of financial costs and benefits does not take into account some of the other costs and benefits that have a significant and durable impact on the lives of migrants and their households.

The surveys in the seven countries clearly show that the majority of migrants have been able to make some addition to their assets. A significant number improved their housing conditions, purchased some consumer durables, and made some income-earning investments. It is only a minority of migrants who suffered a decline in their economic status and who regard the outcome of the migration as unsatisfactory. But the proportion of migrants who have improved their income earning capacity in a sustained and durable way, and whose savings have not been mostly absorbed in economically unproductive assets, such as housing, consumer durables, and jewellery, remains a minority for most of the countries, with perhaps the exception of Korea and Thailand.

The Sri Lankan study estimates this proportion at around 30 to 40 per cent. In Kerala, while the assets of the average household of the migrant showed an increase of about 32 per cent, only 25 to 30 per cent had been invested in productive assets such as machinery and equipment, vehicles, and business investments. In Bangladesh, the proportions that had acquired assets that could be considered productive or income-earning, including fixed deposits, investments in business, and purchase of vehicles, amounted to approximately 40 per cent; but this, as stated earlier, might be better than the national average for Bangladeshi migrants to the Arab countries, as the sample appears to be weighted in favour of the skilled and the higher-level migrants. Using a more representative sample, the Thai study revealed a higher percentage of migrants in the category who had relatively successful outcomes. In a comparison of the asset position before and after migration, 20 per cent of the Thai households had more cultivable land, 18 per cent owned more farm equipment in the form of water pumps, and 33 per cent more in the form of trucks. The pattern of savings and investments revealed in the Thai study is more positive than that emerging from the other country studies, with the exception of Korea. Four-fifths of the families had settled their debts, most of which were incurred to finance the migration; over 70 per cent held savings in the form of fixed deposits, and significant proportions had invested in agricultural land, farm equipment, vehicles, and other productive assets. In Korea, most of the returned migrants put their remittances to the uses they had planned for prior to the migration. About 42 per cent had already invested in the purchase of a house, and about one-fourth invested substantial amounts in their own business. In about two-thirds