Covid-19 Induced Exacerbated Problems and the Vicious Circle of Migrants’ Household Poverty in Bangladesh: A Case Study

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Abstract - Before the Covid-19 current migrant workers who worked in informal sector encountered multiple problems in their host countries while the majority of returning and the aspirant migrants also encountered multiple problems in their origin countries. Within these problems a majority of them reduced poverty and led improved living standards. This article has tried to explore an association between the accelerated problems induced by the Covid-19 and migrant households’ poverty through the application of ‘vicious circle of poverty’ approach developed by Ragnar Nurkse (1953). It finds that the Covid-19 has rigorously affected the informal employment sector of the Gulf Cooperation Council (GCC) and the Southeast Asian countries - two major hubs of Bangladeshi migrant workers - where mainly unskilled and low-skilled migrant workers are employed. The migrants who are already employed in informal sector have acutely faced job loss, underpayment, non-payment, accommodation, health, etc. related problems while the returning and the aspirant migrants have also acutely faced unemployment, underemployment, financial crisis, debt, etc. that they faced before the pandemic but did not face acutely. Due to acute problems, remittance inflows to the current and the returning migrants’ household have significantly been reduced which has propelled migrant households’ members to take loan and sell distressed assets in maintaining Covid-19 induced livelihoods and paying previous debt, and thus the majority of migrants’ household have fallen in a vicious circle of poverty. The aspirant migrants have also fallen in a circle of poverty as they have spent a substantial amount of money for migration but failed to migrate and earn. To reduce poverty incidence of migrants’ household and protect them from falling into poverty in future the article has identified some issues and suggested policy strategies of each issue.

Keywords: Bangladeshi Migrants, Covid-19, GCC Countries, Policy Suggestions, Southeast Asia, Vicious Circle

I. INTRODUCTION

Out of 272 million migrant workers worldwide, 165 million workers who are employed in informal sectors such as construction, hospitality industry, tourism, food, agribusinesses, transport, domestic, etc. sectors have been disproportionately affected by the Covid-19 and remittance inflows have dwindled drastically making them hungry and poor (World Food Programme [WFP], 2020). The world’s 200 million migrant workers who sent money home regularly to 800 million people - one in every nine people - directly impacted by remittance flows in eradicating poverty and accessing food security, nutrition, health, and education (De Vasconcelos, 2020) have returned back to their pre-migration conditions. World Food Programme (WFP) (2020) predicts that if the low-and middle-income countries’ remittances drop 20% due to the Covid-19 they will witness an additional 33 million people at risk of hunger (WFP, 2020) while another 119-124 million people will face impoverished or extreme conditions (Lakner et al., 2021). Almost the similar situations happened in the Great Depression, Gulf Crisis (GC), Asian Financial Crisis (AFC) and Global Financial Crisis (GFC) (Ahmed, 1998; Connell, 1992; IOM, 2009; Wickramasekara, 2020). The Gulf Crisis, for instance, forced the return of millions of migrants to their home countries including hundreds of thousands of Bangladeshi workers who worked in informal sectors of employment and experienced a sudden decline of remittance inflows, particularly who returned from the GCC countries (Addleton, 1991; Murshid et al., 2002).

Like the previous crises, the current Covid-19 crisis has also hardest hit on the informal labor markets in the GCC and the Southeast Asian zones where mainly less-skilled and semi-skilled Bangladeshi migrant workers, more than 62% are employed (World Bank, 2020a). Due to travel restriction of these two zones and the economic recession induced by the Covid-19, among other reasons, overseas employment from Bangladesh abruptly dropped to 222,828 people in 2020 - the lowest figure over the last 23 years, where the country sent averaging more than 600,000 people per year over the last ten years from 2010 to 2019 (BMET, 2019). Despite Covid-19’s hardest hit on the global labor market Bangladesh received US$21.75 billion as remittance income in 2020 - the highest volume of remittances since 1976 (BMET, 2021).

Several reasons provoked migrant workers to send more remittances amidst the pandemic situation. First, the migrants generally send as much remittances as they can during any pandemic or natural disasters in order to meet the pandemic-induced crises of their families (Bettin & Zazzaro, 2016; Chaudhary & Timsina, 2017). Second, before the pandemic a significant number of migrants sent remittances through hundi system - unofficial channel to transfer money - but during the pandemic they sent remittances through official channels (Chowdhury & Chakraborty, 2021; Hasan, 2020). Third, migrants feared to lose jobs that promoted them to send all the savings. Fourth, the pandemic significantly reduced the business of the
migrant workers who were engaged in gold smuggling and gave the migrant smugglers an opportunity to make black money white (Hasan, 2020). Fifth, Bangladesh Bank’s announcement of 2% cash incentive against the inward remittances encouraged migrants to send more remittances home (Chowdhury & Chakraborty, 2021; Hasan, 2020).

Regardless of highest figure of remittance Bangladesh has already faced challenges because the annual Gross Domestic Product (GDP) has fallen to 5.4% in FY2019-2019 from 8.2% in FY2018-2019 (Government of Bangladesh [GoB], 2020) while the pandemic has increased poverty by 40% and extreme poverty by 20.5% in 2020 - almost doubling the figures of pre-pandemic period (Bangladesh Rural Advancement Committee [BRAC], 2020; Centre for Policy Dialogue [CPD], 2020; Pervez, 2020; South Asian Network of Economic Modelers [SANEM], 2020).

Tight labor market conditions of Bangladesh - average annual employment growth rate 0.9% prior to the crisis (Raithan, 2018) as well as the pandemic-induced disrupted labor market of Bangladesh and the economy on the one hand, and the disrupted labor markets of Bangladeshi migrants’ host countries on the other hand have together contributed to rise poverty in the current, the returning and the aspirant migrants’ household (BRAC, 2020; International Organization for Migration [IOM], 2020a).

Bangladesh will face some more challenges in future because Bangladesh will face around 14% declining trend of remittances inflows in 2021 due to the lingering of Covid-19 pandemic (World Bank, 2020b). The longer the pandemic will be migrant workers will face more worsened problems in their host and origin countries and thereby they must fight against poverty. The article has thus endeavoured to understand a connection between the problems exacerbated by the Covid-19 that migrant worker as well as their households’ experience, and migrant households’ poverty using Ragnar Nurkse’s vicious circle of poverty.

The article is structured like this: first section has explained the background of the article; section two has briefly discussed the sources of data and methods of data analysis; vicious circle of poverty approach developed by Ragnar Nurkse (1953) is conceptualized and its relation to migrant households’ poverty is explained in section three; the flows of migrant workers, and remittance and its contributions to economic and social developmental indicators are described in section four; the problems current migrants face in overseas countries, and the returning and aspirant migrants face in Bangladesh are elaborately explained in section five; Ragnar Nurkse’s ‘vicious circle of poverty’ approach is applied to understand migrants’ household poverty in section six; section seven has identified a range of issues and suggested policy strategies to reduce the pandemic-induced problems and thereby poverty of migrants’ household; section eight, the final one, recapitulating the focal points of the article draws conclusion.

II. METHODS AND TECHNIQUES OF DATA COLLECTION AND ANALYSIS

The article has used the secondary sources of data on migration, remittances, development, and poverty of Bangladesh. It has also used the secondary data on the problems that the current, returning and the aspirant migrants as well as the households of all migrant’s face before and during the Covid-19. Data on these issues are collected from two major levels such as global and national/Bangladesh.

The major data at the global level are collected from the reports published before and during the Covid-19 by the United Nations (UN), the World Bank (WB), World Health Organization (WHO), International Labour Organization (ILO), and International Organization for Migration (IOM), World Food Programme (WFP), Asian Development Bank (ADB), United Nations Development Programme (UNDP), International Social Security Association (ISSA), etc. On the other hand, national level data are mainly collected from the study conducted by the public and private organizations and institutes before and during the pandemic. In addition to these, the problems that all types of migrants and their households face are also collected before and during the pandemic. Global and Bangladesh levels data on the problems of Bangladeshi migrants and their household members induced by Covid-19 and thus migrant households’ poverty are explained through the application of Ragnar Nurkse’s approach of ‘vicious circle of poverty’.

At the same time, both levels of data are also presented in the article both as absolute number and percentage forms in table and/or figure as well as narrative forms.

III. RAGNARNURKSE’S ‘VICIOUS CIRCLE OF POVERTY’: A THEORETICAL UNDERPINNING

Many scholars (Chambers, 1983; Ghai, 1977; McNamara, 1973; Seers, 1969; Sen, 1992; Townsend, 1979) and different organizations (European Commission, 2007; United Nations, 1995; UNDP, 1990; UNEP, 2009; World Bank, 1980) have defined poverty from their own perspectives and used different indicators that have resulted in different forms of poverty over a half of the past century. Four major approaches of poverty have emerged from these perspectives such as multidimensional poverty approach (Chambers, 1983; Townsend, 1979), basic needs approach (BNA) (Shaffer, 2008; Streeten et al., 1981), capability approach (Nussbaum, 2000; Sen, 1985) and human development approach (Handley et al., 2009; UNDP 1990) towards better conceptualizing poverty.

Within these approaches Ragnar Nurkse’s idea of ‘vicious circle of poverty’ is still prominent not only in academic, official, and popular literature it is also significant to serve as background for important policy proposals and measures (Bauer, 1965). In his Book ‘Problems of Capital Formation in Underdeveloped Countries’ published in 1953 Nurkse explains that the vicious circle of poverty implies a
circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty. In other words, it is a chain of events in which the response to one difficulty creates a new problem that aggravates the original difficulty. In fact, he explains the vicious circle of poverty to understand the underdeveloped condition of an underdeveloped country and the ways in which the underdeveloped condition perpetuates for a longer period until external intervention is implicated. Nurske’s main speculation is that a country becomes poor because it faces problems in forming capital that he explains through the supply and demand sides of capital. On the supply side, the low level of real income means low savings leading to low investment and deficiency of capital. The deficiency of capital, in turn, leads to low levels of productivity and back to low income. On the demand side, the low level of real income leads to a low level of demand which, in turn, leads to a low rate of investment and hence back to deficiency of capital, low productivity and low income.

While Nurske explains the vicious circle of poverty of poor countries through the problems of capital formation, the article has used his idea through the problems of earning remittance of migrants’ household. He explains why the poor countries become poor while the article has emphasized why the poor migrant households become poor where Covid-19 has worked as an obstacle. The supply and demand side of remittance income (equally treated as capital explained by Nurske) of migrants and migrants’ household are explained through the extra and exacerbated problems that migrants and their households have faced and thus have impacted on remittances.

It is noted that the current and the returnee migrants were non-poor before their migration because they had enough resources to maintain their livelihoods, but they became poor after arranging a significant amount of money for migration costs by selling livelihood maintaining assets and taking loan with high interest. The aspirant migrants on the other hand were non-poor before the preparation for migration but they became poor during preparation for the same reasons of current and returnee migrants. The article has thus treated all migrants as non-poor before migration and poor during their departure period, the starting point of vicious circle of poverty. To apply vicious circle of poverty to understand migrant households’ poverty Covid-19 is considered as an intervening obstacle because migrants and their households have been facing extra and exacerbated problems after outbreak of the Covid-19.

IV. LABOR MIGRATION, REMITTANCES AND IT’S DYNAMICS

A. Labor Migration from Bangladesh to Overseas Countries

There has been a long history of overseas employment from Bangladesh but when the Middle East Asia started implementing infrastructural development in the 1970s and the Southeast Asia started implementing its export-led development strategies in the 1980s Bangladesh used these two major opportunities in sending its population with a significant number. It officially sent more than 0.7 million people overseas and received more than US$18 billion remittances in 2019 (BMET, 2021) that turned Bangladesh the sixth largest migrant-sending country in the world in 2019 and the eighth largest remittance-receiving country (IOM, 2020b). Since 1976, Bangladesh has sent a cumulative total of more than 13.3 million migrants and received approximately US$242 billion as remittance income by May 2021 (BMET, 2021). The actual number of migrants and the number of remittances will significantly be higher when undocumented migrants and unrecorded remittance flows are accounted (IOM, 2014).

Approximately 10 million documented Bangladeshi migrants of 165 million populations - one in every 16.5 people - are currently living and working in 150 overseas countries (United Nations Development Programme [UNDP], 2020). Out of all current migrants, nearly 52% lived in the GCC (around 75%) and two selected Southeast Asian countries (around 15%), and they sent more than 70% of total remittances in 2019 (BMET, 2020), as presented in table I.

<table>
<thead>
<tr>
<th>Countries</th>
<th>Total migrant stock (million) (a)</th>
<th>Migrant workers (% of population) (b)</th>
<th>Cumulative total of Bangladeshi migrants (c)</th>
<th>Total current migrants (approx.) (d)</th>
<th>Total remittances (US$ million) (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GCC Countries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bahrain</td>
<td>0.94</td>
<td>55.0</td>
<td>410,465</td>
<td>200,000</td>
<td>470</td>
</tr>
<tr>
<td>Kuwait</td>
<td>3.10</td>
<td>72.8</td>
<td>630,695</td>
<td>350,000</td>
<td>1372</td>
</tr>
<tr>
<td>Oman</td>
<td>2.40</td>
<td>46.5</td>
<td>1529,269</td>
<td>800,000</td>
<td>1241</td>
</tr>
<tr>
<td>Qatar</td>
<td>2.20</td>
<td>77.3</td>
<td>812,210</td>
<td>350,000</td>
<td>1020</td>
</tr>
<tr>
<td>KSA</td>
<td>13.50</td>
<td>38.6</td>
<td>4276,360</td>
<td>2000,000</td>
<td>4015</td>
</tr>
<tr>
<td>UAE</td>
<td>8.70</td>
<td>88.1</td>
<td>2373,138</td>
<td>500,000</td>
<td>2473</td>
</tr>
<tr>
<td><strong>Two Selected Southeast Asian Countries</strong></td>
<td></td>
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<tr>
<td>Malaysia</td>
<td>3.5</td>
<td>10.7</td>
<td>1057,185</td>
<td>800,000</td>
<td>1231</td>
</tr>
<tr>
<td>Singapore</td>
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<td>43.1</td>
<td>799,518</td>
<td>150,000</td>
<td>457</td>
</tr>
</tbody>
</table>

Source: Migration Data Portal (2020, a & b); BMET (2020, c); various sources (d) Bangladesh Bank (2020, e)
In terms of the proportion of migrant workers to local workers the GCC and the Southeast Asia are two major migration destination regions around the globe. In 2019, approximately 35 million migrants lived in the GCC region but due to the pandemic it was reduced to 31 million in 2020, indicating that four million migrants left the region over the last one year (World Bank, 2020a). It is because the local and the foreign workers in the GCC faced 9% of full-time job losses that indicate 8.4% of labor income losses in 2020 (International Labour Organization [ILO], 2021).

The pandemic has also contributed to the fall of around 13% of employment with peak-to-trough job losses across the GCC countries (ILO, 2020a). Out of 31 million migrants in the GCC region, roughly 4.2 million is Bangladeshis, as presented in table I that has turned Bangladesh the second largest migrant-sending country in the GCC region after India (Sorker, 2020). Like the GCC states, the Southeast Asian countries have faced 8.4% of full-time job losses that indicate 9.5% of labor income losses (ILO, 2021). In Southeast Asia, Bangladeshi migrants’ preferred destination countries are Malaysia and Singapore where about 950,000 low-skilled Bangladeshi legal migrants lived in 2020.

B. Dynamics of Remittance to Development and Poverty Reduction

Labor migration is a defining feature of Bangladesh economy because the remittances significantly contribute to social as well as macro-and-micro economic development of Bangladesh (Das & Chowdhury, 2019; Hasn et al., 2019). However, the remittances Bangladesh has received particularly from the GCC and Southeast Asia have substantially contributed to economic and social development of Bangladesh. Remittance income has helped in addressing the balance of payments, enhancing national savings and velocity of money, and reducing the influence of development partners at the policy level of Bangladesh (Al Masud & Hamzah, 2018; Das & Chowdhury, 2019; Sarkar, 2019). Besides, there has been a substantial role of remittances to export earnings, import payments and Gross Domestic Product (GDP) of Bangladesh, as presented in figure 1. On the other hand, remittances have helped improving various indicators of social development such as nutrition, living condition and housing, education, healthcare, social security, and investment activities of remittance-recipient households (Barai, 2020).

Further, remittances are important in building economic capital through accessing land for agricultural production as well as investing in business (Sikder & Higgins, 2016). It has also worked as a coping strategy for the household to counterbalance food-related stocks that have reduced food uncertainties and improved the quality of diet in remittance-receiving households (Moniruzzaman, 2020). Accompanied with economic and social developmental impacts, remittance income has a considerable role to reduce poverty at the national and household levels of Bangladesh. At the national level, remittances have reduced the number of poor in Bangladesh by 6% (Ratha & Mahapatra, 2007) improving the standard of living and creating productive assets (Islam, 2011).

Further, the World Bank (2019) analyzes Bangladesh data on migrants’ remittances from 2000 to 2016 and estimates that poverty falls faster in migrant-sending districts: for each additional 0.1% of a district’s population migrating internationally, poverty in that district falls by 1.7%.

Source: Calculated by the author from Bangladesh Economic Review (2020)
Fig. 1 Percentage contributions of remittances to GDP growth, export earnings and import payments
At the household level, Ghelli (2018) finds that non-migrant households living below the poverty line was 27% higher than migrant households in 2013. As Kumar (2019) reports, 8.25% of remittance-recipient households and 39.53% of remittance non-recipient households live under the poverty line. He further reports that the impact of remittance on poverty alleviation is stronger in remittance recipient households, enjoying a considerably lower incidence and depth of poverty than the factureal remittance non-recipient households. Similarly, Akhter and Islam (2019) find that international remittances reduce the incidence, depth, and severity of poverty. They again point out that the probability of household becoming poor decreases by about 14%, on average, if the household receives international remittances. Thus, remittances have considerably impacted on the macro-and-micro levels of economic and social development. Remittance income has played a substantial role to reduce poverty at the country and the household levels of Bangladesh.

V. COVID-19 AND THE PROBLEMS FACED BY MIGRANT WORKERS AND THEIR HOUSEHOLDS

A. Problems Faced by Current Migrant Workers and their Households

Bangladeshi migrants including the migrants of other countries in the world who are currently employed in informal sectors in the GCC and the Southeast Asian countries have faced job losses and salary reductions because many construction projects have been suspended in GCC states that have also affected the local labors but in a lesser degree compared to the condition of migrant workers. For example, the authorities of the Kingdom of Saudi Arabia (KSA) - the most preferred host country for Bangladeshis - have decided to cut wages of labors by about 25-50% due to the suspension of major economic activities. Due to this, approximately 27% of Bangladeshi migrants lost their jobs and more than 26% migrants’ employment dropped partially between April and July in 2020 (Perera, 2021). Regardless of migrants’ legal status, they were trapped by the circumstances, and as many as one million Bangladeshi migrants could be deported from the KSA over the next three to five years (Mahmud & Hasan, 2020; Sorker, 2020). However, the degree of vulnerability of undocumented migrant workers in these two regions - approximately two million - is worse than that of the documented ones.

Malaysia, for example, is the most preferred destination country in the Southeast Asia for Bangladeshis where between 300,000 and 500,000 undocumented Bangladeshi migrants are currently living (Shibli, 2021). The employers are now completely reluctant to hire undocumented migrants because the Malaysian government is very strict in enforcing the law and penalties against those employers who hire undocumented workers. Traditionally, many employers purposively hired undocumented workers before the pandemic and paid them less than regular salaries (Palma, 2021).

As the Immigration and Labour Department limits its services, many migrant workers in Malaysia have faced stigma, discrimination, and xenophobia, especially on the issues of health, security, labor and housing (Mahmud & Hasan, 2020; Sorker, 2020) while a large number of workers are out of work since mid-March in 2020 (Jamil & Dutta, 2021; Islam, 2020). Out of 64 migrants, the access to work and basic needs have been reduced to 49 and 44 migrants, respectively while psychological distress has increased to 38 migrants (Siddiqui, 2020). Bangladeshi migrants in Malaysia have not only faced these problems, many migrants - documented and undocumented - in the countries of GCC and the Southeast Asian zones have also suffered from other problems.

In Kuwait, for example, a significant number of migrants have confronted food shortages and the fear of losing jobs (Ejaz, 2020) while many migrant workers in Qatar are allegedly passing days inside the quarantined camps in fear and uncertainty about unpaid leave and with only food and accommodation covered (Bhuyan, 2020). They are living in such an economic crisis that they have been surviving by taking loans from their fellow workers, and even from relatives in Bangladesh, but prospects for the future are dimming fast. But the undocumented migrants who live on small daily wages have been in increasing distress and the situation might turn into a humanitarian crisis unless the host governments offer cash and food assistances (Sorker, 2020).

The death of migrant workers and its associated causes are always a negligible issue both for migrant-sending and migrant-receiving countries. In the GCC and the Southeast Asia, a total of approximately 40,000 Bangladeshi migrants died over the last 14 years due to brain stroke, heat attack, heat stroke and road accident (Hasan, 2020). Even the case of the infection and death of migrant workers by the Covid-19 remains a negligible issue though the infection and the death rates of migrants are three times higher than that of the locals. More than 70,000 Bangladeshi migrants were infected in 186 countries by July 2020, and by December in the same year, 2,330 Bangladeshi migrants succumbed to Covid-19 in 21 countries (Shibli, 2021). The worst and the highest Covid-19 infection rates of migrant workers have been identified in Bahrain, Kuwait, Qatar, and Singapore due to lack of free access to proper healthcare, congested, unsafe and unhygienic abode, and insufficient legal protection (Chowdhury & Chakraborty, 2021; Hasan, 2020; IOM, 2020d; Perera, 2021).

The low-paid migrant workers lived in the squalid, overcrowded and unhygienic dormitories with inadequate access to sanitation before the Covid-19 but these conditions of dormitories are deteriorated more by the pandemic and infected migrants than the locals (Sorker, 2020). The stay-at-home order in many countries has resulted in the opposite of social distancing and escalated the grim wave of Covid-19 infections (Subramaniam, 2020). The order has forced the migrants to move out of their
congested living arrangements and they had to stay with friends or relatives to save on rent payments. In a typical labor camp, a dozen migrants lived in one small room with multiple bunk beds but during the lockdown almost two-dozen migrants have lived together in the same size of room (Cornwell, 2020). The order has also forced migrant workers to stay in local mosques and survive on charities provided by the mosque authorities and the residents (Ahmed, 2020). Even many migrants are living on the upper floors of construction subcontracting firms, in shipping containers, or other temporary housing on work sites – in some cases with cramped rooms housing up to 30 men, having no air-conditioning or appropriate ventilation, pestered by bed bugs and cockroaches, and often with just one toilet shared by up to 80 people or more (Subramaniam, 2020).

Along with the accommodation problems, hospital authorities have been reluctant to treat migrant workers amid the fear that the insurance companies might not compensate them, or the payment may be delayed although the GCC states’ policies entitle all workers, irrespective of their status, to get free medical treatment if they face any health-related problems (Sorker, 2020). Further, migrants are recently viewed as ‘front liners’ because they are the forefronts of vaccine development, volunteerism to support local population and undertaking essential services such as health care in many countries (ILO, 2021) but the national Covid-19 vaccination schemes as well as social and public health measures that the migrant host countries have designed or implemented, are leaving migrants behind (IOM, 2021). All these factors together have made an environment to make migrant workers more prone to the viral attack than the locals.

Bangladeshi female migrants’ exploitations are more diversified and acute than male migrants. Before the pandemic the recruiters and the employers exploited them economically, sexually, and psychologically (Rahman, 2011; Sultana & Fatima, 2017) but during the pandemic exploitations have been heightened. In Oman, for instance, Bangladeshi female migrants are paid on average US$234 per month compared to Filipino workers who have received US$416, and Indian and Sri Lankan workers US$312 (Perera, 2021). He further reports that, about 67% of female migrants who were forced to return home were not paid salary, and 62% had to leave behind savings and other assets. On the other hand, female migrant domestic workers who tried to flee exploitation and assault are mostly re-victimized, but the fact is that at least 1.2% of those who flee are not abused but they are embroiled in extramarital affairs or plundered by the employers (Rangan & Shabnam, 2020). In addition to these, they are being sent out to perform duties such as tossing out the trash, cleaning toilets, taking care of a Covid-19 infected persons, etc. but they are not given any safety measures, especially when they need it most and thus, they face higher risks of infection and death (Subramaniam, 2020).

To conclude, the types of problems that Bangladeshi male and female migrant workers irrespective of their legal status faced before the pandemic in the GCC and the Southeast Asian regions have been aggravated during the pandemic. Although migrants have been playing a significant role to boost the economies of these two regions, the economic stimulus packages that these countries have adopted to combat the Covid-19, support their citizens, and revive economic sectors have not included migrant workers. For this and other reasons, mentioned above, most migrant workers in these regions are living with multifarious problems such as infection by virus, job loss, reduced working hours, non-payment, and social stigma and exclusion that have substantially reduced migrants’ income.

B. Problems Faced by Returning and Aspirant Migrant Workers, and their Households

Both the returning and the aspirant migrants have experienced many problems in their communities of origins that have reduced their income and thereby lowered the standard of living. Out of 10 million current migrants, 666,000 returned home between January and mid-March 2020 as the corona virus spread to all parts of the world (Harmachi, 2020) - between four and eight times higher than in previous years (Perera, 2021). Those who have returned home from the GCC and the Southeast Asia 29% were forced to leave their host countries and the rest of migrants returned home willingly, for their families’ request, and the fear of border close and becoming stranded (BRAC, 2020). Nearly 70% of returning migrants have faced unemployment, financial and health-related problems (IOM, 2020c). They have faced financial vulnerability because most of them who were deported by force were not even allowed to bring back their belongings or arrears that totals to US$2059 on average (Hasan, 2020). Additionally, around 87% of returnees have no source of income, 34% have no savings and 19% can afford up to two months’ living with savings. As a result, their monthly household expenditure has dropped from on average US$200 to US$85, a 57% decline (BRAC, 2020). So unplanned, large-scale returns of migrant workers have affected remittance-dependent households across the country where each migrant worker supports on an average three members of his/her household (IOM, 2020b) and passed days with extreme economic hardship (Need Assessment Working Group Bangladesh [NAWGB], 2020).

Debt is always a big burden for the returning and the aspirant migrants because they managed a considerable amount of money to process migration and the main source of managing migration cost was loan, a major challenge for remittance-recipient households (ADB, 2020; ILO, 2020c; Kikkawa & Otsuka, 2020). More than 65% of migrants who migrated to the GCC and the Southeast Asia paid around US$3530 and another 20% paid around US$5880 (UNDP, 2020). In managing migration costs they owed debt to family and friends (55%), and to micro-finance institutions (MFIs), Self Help Groups and NGOs (44%), and
moneymakers (15%). In other words, over 65% of debt owed to MFIs, NGOs and private banks carried an interest rate of between 10-15% while the interest on 62% of debt owed to moneymakers was charged between 50-150% (BRAC, 2020). Financial crisis and debt burden - two main primary challenges of returning migrants (IOM, 2020d) - have forced them to face starvation, indebtedness, and other miseries (NAWG, 2020; Perera, 2021; Subramaniam, 2020). On the other hand, although no study has yet been conducted on aspirant migrants, it may be assumed that they have faced problems like those of the returning migrants because they have also spent around the same amount of money for migration process, used the same sources, and now faced challenges to run their families and pay debt.

After migration process migrants’ household have minimal property such as only homestead land or in some cases small agricultural land to run their families (Young Power in Social Action [YPSA], 2020); rather remittances provide them efficient and effective safety nets to people of migrants’ household (Haque & Islam, 2020). Roughly 57% of migrants’ families were solely dependent on remittance before the pandemic but during the pandemic 39% have received remittances. Not only this, a 58% decrease in monthly remittances is in stark contrast with the national reports of higher flow of remittances during this period (BRAC, 2020). About 60% of remittance-dependent families spent approximately 85% of remittances for daily expenditure items (Refugee and Migratory Movement Research Unit [RMMRU], 2020) such as food, health, education, cloth, and housing (ADB, 2020) while about 20% would support their families and bear household expenses for over a month (RMMRU, 2020). Moreover, 77% of migrant households’ average monthly income has decreased during the pandemic and due to this the average monthly expenditure has fallen by 8.6% (BRAC, 2020) but before the pandemic migration raised household income by 50-250% of Bangladeshi migrants (Barker et al., 2020). With income decrease the average monthly savings of households has decreased by 62%, also because migrants have depleted their savings to manage their daily expenses (BRAC, 2020).

In order to maintain pandemic-induced livelihoods a half of migrants who have experienced financial problems are forced to take loan and/or borrow money again from their relatives, neighbors and moneymakers (YPSA, 2020; IOM, 2020c) while some migrants are engaged in distressed asset sale (Siddiqui & Shishir, 2020). In addition to maintain livelihoods, nearly 60% of migrants have used loan for repayment of debt that they incurred for migration process, thus increased household loan by 31% (BRAC 2020), and others have cut down expenses on food, clothing, health and education (Chowdhury & Chakrobarty, 2021). It is equally true for the aspirant migrants. As remigration is a difficult option now, the return of migrant workers to rural districts combined with low-income opportunities and piling debts can potentially put pressure on rural economies as well as create poverty pockets, especially in migrant-prone areas (ILO, 2020b; Kikkawa & Otsuka, 2020; RMMRU, 2020; UNDP, 2020).

To sum up, both the returning migrants and the aspirant migrants are badly affected economically by the Covid-19 pandemic. Many migrants have returned home losing their jobs while many have returned on leave without or with a small amount of money. The money that migrant worker brought with them from overseas have been exhausted after some days of their return, and the lack of employment opportunities and savings have propelled them to further borrow money and/or take loan in maintaining pandemic-induced livelihoods and paying previous debt incurred for migration process. On the other hand, the aspirant migrants have also faced almost the same types of economic problems as the returning migrants have.

VI. EXACERBATED PROBLEMS INDUCED BY COVID-19 AND VICIOUS CIRCLE OF MIGRANTS’ HOUSEHOLD POVERTY

Empirical literature on the effects of remittances on poverty in Bangladesh suggests that the migrant workers who migrated before the pandemic most of them reduced poverty (Akhter & Islam, 2019; Ghelli, 2018; Kumar, 2019; World Bank, 2019) but after the effect of pandemic the majority of migrants’ household have fallen in poverty due to extra and exacerbated problems in migrants’ host and destination countries. It is because migrant workers are not only exploited first, but also denied proper wages and repatriated by their destination countries [ISSA, 2020]. In addition to these, they are also targeted first to be victimized and stigmatized by the host countries; they fall victims to racism, xenophobic acts and hate crimes (Hennebry & Hari, 2020). The problems that migrants and their household members have faced are feedback loops in which the problems of a stage are strengthened by their consequences and the circle has continued all over again and finally migrant’s households have fallen into poverty.

Before the pandemic migrant workers lived and worked in multidimensional problems, sent remittances home, and reduced their households’ poverty. But the pandemic has worked as such an intervening obstacle that has accelerated pre-pandemic problems (Bhuyan, 2020; Ejaz, 2020; Siddiqui, 2020) and created new problems to earn remittances. The problems of earning remittance income are considered as like as the problems of forming capital that Nurksn explains. In terms of the supply side of remittance income the problems migrant workers have faced during the pandemic (Palma, 2020; Perera, 2021) have led to earn lesser income and send lesser money home than before the pandemic. On the other hand, in terms of the demand side of remittance income migrant workers’ left behind households’ members have received less remittances from migrants compared to the pre-pandemic period that has made difficulties to maintain the pandemic-induced livelihoods and pay the previous debt (Barker et al., 2020; BRAC 2020).
To maintain these two important aspects of livelihoods, migrants have further taken loans, sold distressed assets, used savings and even they have reduced expenses of basic needs (Siddiqui & Shishir, 2020). Thus, the members of current migrants’ household have forced to sell their remaining assets and involve in multiple debt burden on the one hand and struggled to meet basic needs on the other. Consequently, poverty condition of a major portion of migrant workers have worsened compared to their pre-pandemic period while a portions’ poverty condition has remained the same, as depicted in Fig. 2.

Poverty of the returning and aspirant migrants’ household can be explicated through the same ways of current migrant households. The problems the returning and the aspirant migrants have faced were rarely faced before the pandemic (IOM, 2020c; IOM, 2020d; Perera, 2021; NAWG, 2020). The money the returning migrants had during their return home has been spent after some days of their return to maintain pandemic-induced livelihoods and pay debt. As supply side, the returning migrants have faced financial difficulties to maintain pandemic-induced livelihoods and pay debt because of exhausting the earned remittances, stopping the inflows of remittances, and earning no/less amount locally. This situation has led them/their households to take loan further and sell distressed assets (YPSA, 2020; IOM, 2020c).

On the other hand, the aspirant migrants have also experienced almost the same problems as the returning migrants because they have also spent a substantial amount of money to process migration, but they have not received any benefits from migration. They have taken the same strategies to maintain the pandemic-induced livelihoods that the current and the returning migrants have taken. Like the current migrants, both the returning and the aspirant migrants have forced to sell essential assets, take loan, and reduce the expenses of basic needs. Thus, all these factors have together contributed to unmet the basic requirements of migrants and their household members and due to these they have ultimately failed to come out from during-migration poverty condition.

Migrant workers, whether they are current, the returning or the aspirant, have failed to earn an optimum income due to the problems induced by the pandemic that has compelled them further to take loan and sell livelihood maintaining assets to run pandemic-induced livelihoods and pay pre-and during pandemic debts. Within this situation a minor group of migrants has been able to run their households and keep their positions before-pandemic period while a major group of migrants have failed to reduce poverty. Thus, it can be stated that all types of migrants’ household to a lesser or greater extent have been entrapped in many problems in a circular motion and stayed in the same situation of poverty as they were before the pandemic.

VII. POLICY SUGGESTIONS

In considering the contributions of overseas employment and remittance to social and economic development, especially poverty reduction of migrants’ household and the country’s economy the Bangladesh government must identify first the issues that are overwhelmingly important and then design stringent strategies in the light of each issue. The following issues and strategies may be helpful for Bangladesh to design policy.

A. Current Migrant Workers in the GCC and Southeast Asian Countries

1. Increase cash incentive and number of beneficiaries in Bangladeshi mission abroad and distribute incentives among those migrants who are truly affected by the pandemic and in this case labor attaches must be increased because currently one or two labor attachés in each mission are providing ad-hoc support to migrant workers.
2. Ensure safety, security, and welfare of migrant workers by the host countries including social protection, employment-related support and social assistance, and health services.

3. Arrange safe accommodation through a joint initiative by the migrant host governments, migrant organizations, and Bangladesh missions abroad so that migrants are offered temporary transitional accommodation for migrants’ health safety and security.

4. Regularize irregular migrant workers not only in the wake of crisis but also in normal situations to ensure the welfare of migrant workers in migrant destination countries.

5. Organize multilateral forums and regional consultative processes for advocacy and negotiation to solve the problems that migrants experience in host countries.

B. Returning and Aspirant Migrants in Bangladesh

1. Recognize first the scale of the returning migrants and the aspirant migrants and their vulnerabilities in consultation with the local authorities and make a database.

2. Initiate two separate social safety net programs only for the migrant workers. A short-term program might be regarded ‘immediate cash assistance’ and the long-term program might be regarded ‘social reintegration and social recovery assistance’.

3. Make an online database on migrant workers targeting to recognize their skills, knowledge, and experiences, and employ them accordingly during any unwanted situation like the Covid-19 pandemic.

4. Arrange training and financial assistance round the year so that the migrant workers who have returned home permanently can reintegrate and rehabilitate themselves in society by engaging in income-generating activities.

5. Establish separate health service center only for the migrant workers at the district level so that they can receive all types of health services including the test of Covid-19 virus and vaccination services provided by the government.

6. Increase existing remittance incentive rate for a longer period in order to encourage expatriate workers to send more money through legal channels.

7. Create incentives for the banks, remittance service providers, mobile operators and other enablers of remittance flows so that the service providers can financially sustain their operations, maintain the agent networks, and extend benefits to the customers.

8. Make bank accounts more attractive to migrant workers by providing value-added services such as linking remittances with savings, credit, insurance, payments, termination of remittances in digital wallets, incentives against cash-outs, and other inclusive financial products tailored to the needs of migrant workers and their families.

9. Improve good governance and reduce corruption to find guilty in misappropriation of cash packages, reliefs, and other social safety net schemes.

10. Strengthen in and between public-private cooperation for addressing the problems migrant workers are facing abroad and home during the Covid-19 and the problems they will face in the post-Covid-19.

11. Reestablish old labor market in the GCC and the Southeast Asian countries and at the same time explore new labor markets in Africa, Europe or elsewhere in the world to minimize the disruptions of remittance inflows.

VIII. CONCLUSION

Economic recession of the GCC and the Southeast Asian states induced by the Covid-19 pandemic, among other factors, has accelerated job loss, underemployment, unemployment, accommodation, xenophobia, discrimination, and health related problems that all types of current migrant workers - male and female as well as documented and undocumented - faced before the pandemic. Recently, they have fought against the virus and faced infection because they have been employed as health caregivers, but they are not included in Covid-19 related services provided by the host countries. All these problems have together thwarted their plan to earn expected income and send lesser income home as compared to pre-pandemic period. On the other hand, the returning and the aspirant migrant workers have confronted unemployment, underemployment, financial hardship and debt but before the pandemic some of them faced minor problems. As a result, the current migrants, the returning, and the aspirant migrants have experienced difficulties to earn a considerable amount of income to run their households. Although there has been a slight difference between their problems, all types of migrants are forced to sell the distressed assets, take loan, and reduce the expenses of basic needs to maintain the pandemic-driven livelihoods and pay debt.

Thus, the Covid-19 has sustained migrants’ household to stay into poverty. As the current, the returning and the aspirant migrants of all migrant-sending countries including Bangladesh have faced different waves of Covid-19 they have to face difficulty to enter the labor markets of the GCC and the Southeast Asian zones. However, a small portion of returning and aspirant migrants have already gone to their respective host countries but a significant portion of them will be facing unemployment, underemployment and financial crisis and debt until Bangladesh government arranges for them any income-generating activities and/or they migrate to their destination countries and earn. To keep the pace of outmigration from Bangladesh and remittances inflows and thus continue social and economic development, especially regaining social and economic statues of migrants and their households by reducing poverty the Bangladesh government must take seriously all but necessary measures, aforesaid, to tackle the problems migrants face. In this case Bangladesh must consult the public and private sectors of Bangladesh, migration destination countries as well as the regional and global forums.
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