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Wage Theft amid Pandemic Adds to Remittance Dip

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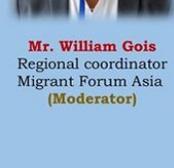
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Distinguished Panelists



 <p>Mr. William Gois Regional coordinator Migrant Forum Asia (Moderator)</p>	 <p>Dr. Shashi Tharoor Member of Parliament India</p>	 <p>Mr. Shahidul Haque Former Foreign Secretary Bangladesh</p>	 <p>Dr. Dilip Ratha Head of KNOMAD, World Bank</p>
 <p>Ms. Roula Hamati Coordinator, Cross Regional Center for Refugees and Migrants, Lebanon</p>	 <p>Mr. Ryszard Cholewinski Senior Migration Specialist, ILO Regional Office for Arab States, Beirut</p>	 <p>Ms. Neha Misra Senior Migration Specialist, Solidarity Center, Washington DC</p>	

Wage theft is a significant factor in remittance dip, a lead economist from the World Bank has said.

“Due to the Covid-19 pandemic and shutdown induced economic crisis, a 20 percent remittance dip is forecast. And in this 20 percent remittance dip, wage theft has a significant

role,” Dr. Dilip Ratha, Lead Economist, Migration and Remittances and Head of KNOMAD, World Bank, said.

According to the World Bank, the projected fall, which would be the sharpest decline in recent history, is largely due to a fall in the wages and employment of migrant workers, who tend to be more vulnerable to loss of employment and wages during an economic crisis in a host country.

Remittance flows are expected to fall across all World Bank Group regions, most notably in Europe and Central Asia (27.5 percent), followed by Sub-Saharan Africa (23.1 percent), South Asia (22.1 percent), the Middle East and North Africa (19.6 percent), Latin America and the Caribbean (19.3 percent), and East Asia and the Pacific (13 percent).

The large decline in remittances flows in 2020 comes after remittances to LMICs reached a record \$554 billion in 2019. Even with the decline, remittance flows are expected to become even more important as a source of external financing for LMICs as the fall in foreign direct investment is expected to be larger (more than 35 percent).

In 2019, remittance flows to LMICs became larger than FDI, an important milestone for monitoring resource flows to developing countries.

“Those workers who remain to continue in the countries of destination will be forced to work for slashed wages. This is again a form of wage theft and it is also going to impact the remittances,” Dilip said.

Dilip was responding to a query raised by William Gois, Regional Coordinator of Migrant Forum in Asia at an online panel discussion on “Transitional Justice: Towards “Building Back Better” jointly organized by Manila-based Migrant Forum in Asia (MFA), Delhi based Global Research Forum on Diaspora and Transnationalism (GRFDT) and Beirut-based Regional Center for Refugees and Migrants (CCRM).

Wage Theft

Wage theft, the practice of employers failing to pay workers the full wages to which they are legally entitled, is a widespread and deep-rooted problem that directly harms millions of Asian migrant workers each year.

Employers refusing to pay promised wages, paying less than legally mandated minimums, failing to pay for all hours worked, or not paying overtime premiums deprives working people of billions of dollars annually. It leaves hundreds of thousands of affected workers and their families in poverty.

Unfortunately, countries of destination and origin have begun repatriation procedures of these workers, without any proper redress mechanism, since courts and other labour dispute mechanisms have also been closed during the period of the lockdown.

Therefore, these violations are piling up and either not be addressed or overburdening the existing dispute resolution mechanisms.

The stranded worker will get a call from the mission house giving him some 48 hours maximum to purchase a return ticket. The companies often clear the migrant workers' papers only after the worker gets a travel confirmation call from the embassy is received.

Eventually, the worker won't have ample time to register his grievances if there are any.

There are around 35 million migrant workers in the Arab Gulf countries who work under Kafala system, a peculiar employer-employee contract which restricts many rights and freedom of migrant workers.

ESCROW Fund

Indian missions in the Arab Gulf countries should record wage grievances of Indian workers who are leaving due to the Covid-19 outbreak as documentation is vital in addressing the wage theft issue, Dr. Shashi Tharoor, Indian parliamentarian and former State Minister at Ministry of External Affairs, said.

"I will write to the Indian Minister of External Affairs Dr. S Jaishankar to set up a platform at Indian missions where the workers' grievances, especially on the wage front, can be recorded," Dr. Tharoor said.

According to him, currently, there is no mechanism available globally to address the wage theft issue and ensure justice for the migrant worker.

However, Dr. Tharoor suggested that an ESCROW fund where six months of wages can be deposited by the employer should be set up when the VISA is approved for the worker.

"This ESCROW fund can help to pay the worker when pay default happens, especially when Covid-like crisis happens," Dr. Tharoor said adding that pandemic outbreak has become an excuse for the employers in the Arab Gulf to remove migrant workers without clearing their unpaid wages and end of service benefits.

He added that considering the limitations of mission houses, countries of origin should put pressure on countries of destination to ensure justice for the migrant workers, and to fight against the wage theft, civil society organizations should take a lead in organizing trade unions.

Claims Commission

Meanwhile, detailing on wage theft and justice mechanism, Roula Hamati, coordinator, Cross Regional Center for Refugees and Migrants, said that pandemic has made wage theft a normal thing in all sectors and only a few goes to courts.

"We can't continue like this. Numbers should not be a criterion in taking up this issue. We should set up an International

Claims Commission to deal with the wage theft issue,” Roula said.

According to Roula, the International Claims Commission must be set up as a specialized international quasi-legal body of expedited justice to adjudicate on claims of migrant workers on an expedited basis in cases related to wage theft and other outstanding claims and to provide equitable remedies.

“Cases could be received directly from migrants themselves or through entities providing support or legal representation to migrants. All pre-existing case documentations should be referred to the Claims Commissions for resolution,” Roula said.

Roula added that the International Claims Commission could be administered jointly by International Labour Organisation and International Organisation for Migration, together with other relevant stakeholders.

The latest ILO estimates show that working hour losses have worsened during the first half of 2020, reflecting the deteriorating situation in recent weeks, especially in developing countries.

The ILO report reveals that during the first quarter of the year, an estimated 5.4 per cent of global working hours (equivalent to 155 million full-time jobs) were lost relative to the fourth quarter of 2019.

“Working hour losses for the second quarter of 2020 relative to the last quarter of 2019 are estimated to reach 14.0 per cent worldwide (equivalent to 400 million full-time jobs),” the report adds.

Rights as Entitlement

Meanwhile, Shahidul Haque, Former Foreign Secretary, Bangladesh, said the discussion that making rights as an entitlement for migrant workers only can resolve the issues.

“So far, we discussed how to govern migration. But we missed the rights angle. We should not repeat that. Additionally, we should force the countries to honour global compact on migration even if it’s a non-binding one. As they (countries) have signed it, they should honour it,” Shahidul said.

While detailing the woes of Bangladeshi workers who returned penniless due to job loss from Covid-hit countries, he also endorsed the need of setting up an international claims commission to address the wage theft.

According to the former foreign secretary, some 500,000 Bangladeshis have returned jobless from Covid-hit countries.

While Ryszard Cholewinski, Senior Migration Specialist, ILO Regional Office for Arab States, Beirut, said that ILO can look into the possibilities of setting up a Claims Commission if trade unions and CSOs come forward, Neha Mishra, Senior Migration Specialist from Solidarity Center said that lack of

freedom of association for migrant workers is leading to wage theft.

Some 450 migration experts, academicians and rights activist attended the online meeting from different parts of the world.

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Address

Mahabub Plaza (4th Floor), 4/A Indira Road, Farmgate, Dhaka
1215, Bangladesh

Phone: +88-01728-554-296, +88-01715-177-920

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