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# Capitalizing On Opportunities In KSA Construction Sector Through An Evidence Based Approach

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Inter-Regional Experts Forum on  
Skills and Migration in the South Asia – Middle East Corridor

# Skills and Migration Overview- Bangladesh

- ❑ 9.4% Youth Unemployment Rate
- ❑ Above 6.76% contribution to GDP
- ❑ The country intends to benefit from demographic dividends

International Migration



One of the key pillars of the national economy

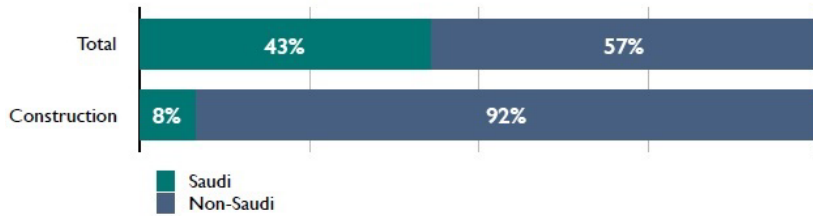


**Huge number of migrants working in Gulf region**

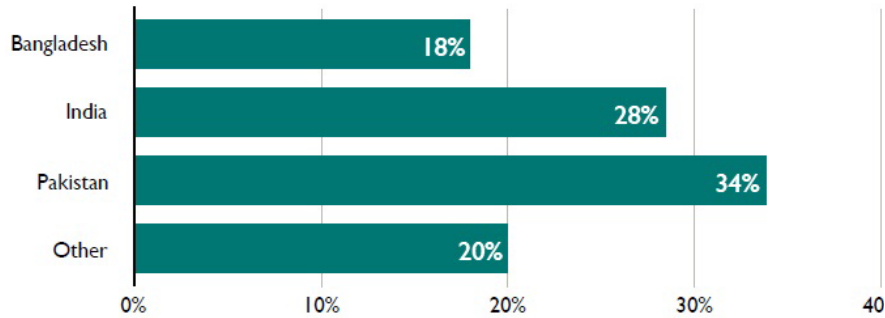
**10 million+ Bangladeshis already working abroad**

# Workforce distribution in Construction Sector

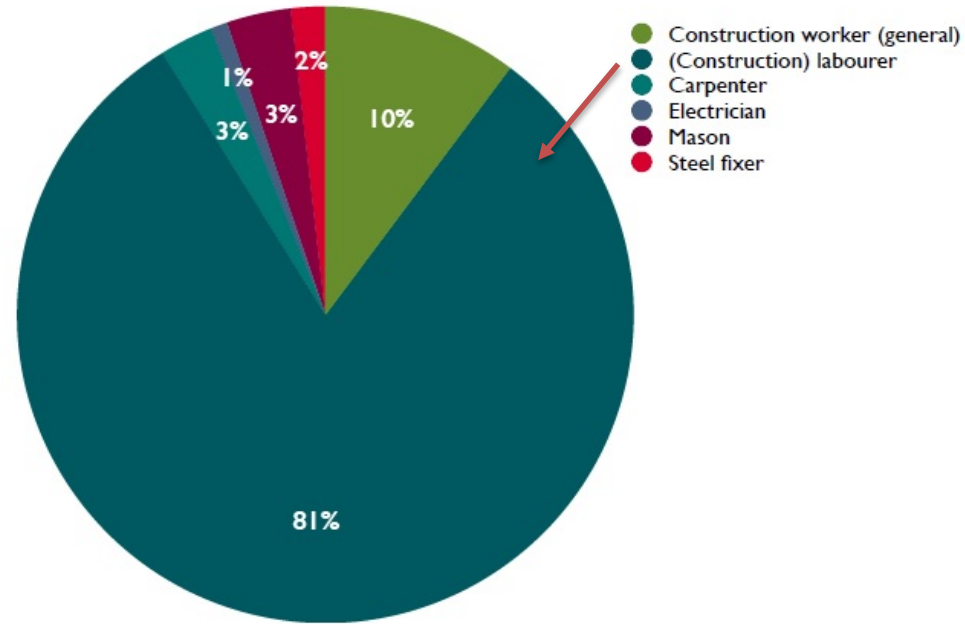
Nationality, Total & Construction Workforce in KSA



Proportion of Migrant Workers from Sending Countries



Estimated Bangladeshi Construction Workers in KSA by Occupation, 2016



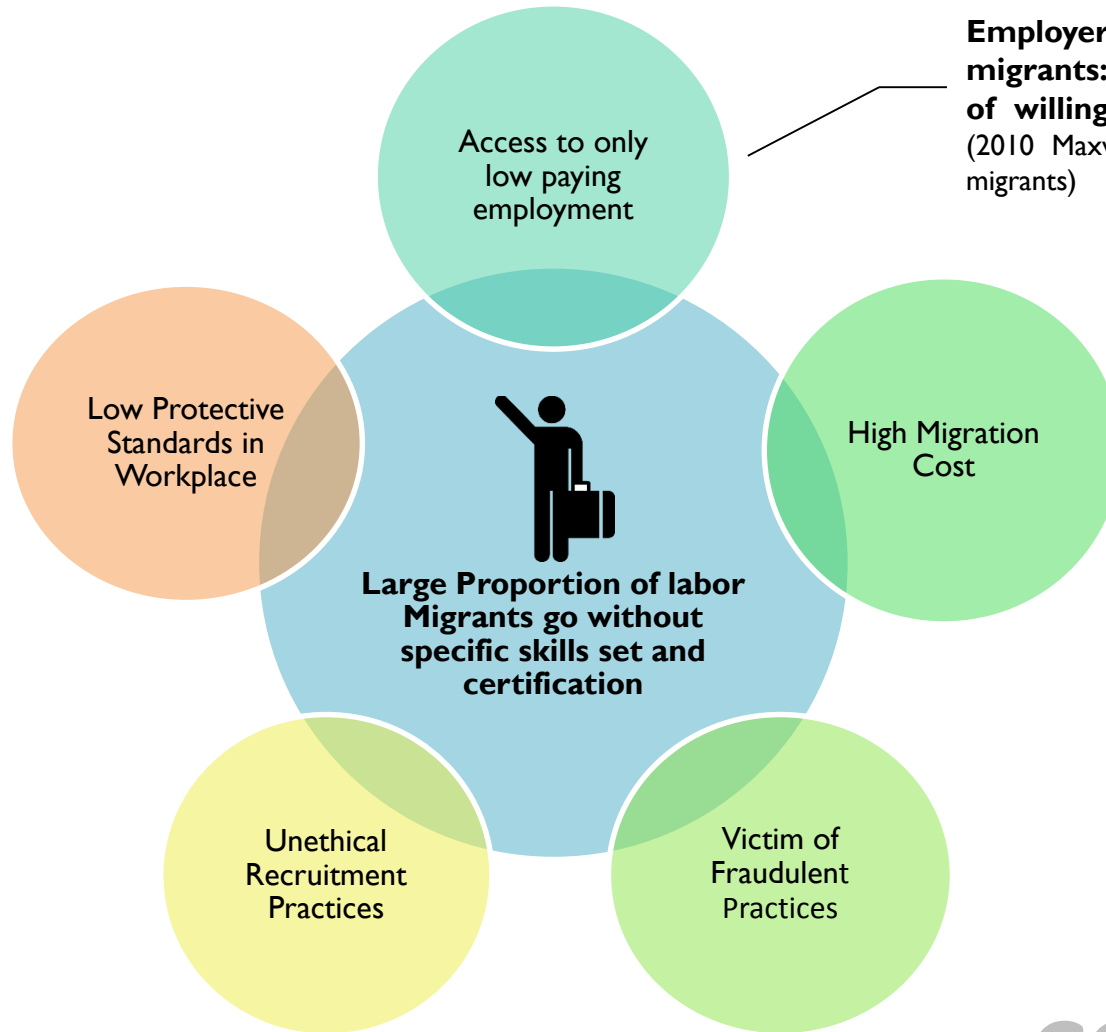


# Skilled and Unskilled: Bangladesh and Pakistan Saudi Construction 2011

	Bangladesh	Pakistan
<b>Skilled</b>		
Mason	837	18,839
Carpenter	1,191	10,985
Electrician	528	8,731
<b>Semi-skilled</b>		
Painter	129	4,247
Steel fixer	54	8,508
Plumber	147	4,746

\* Population of Pakistan is approximately 17% greater than that of Bangladesh.

# Outcomes of Low Skilled Migration



Employers report **Bangladeshi migrants: only 'competitive in terms of willingness to accept low wages'** (2010 Maxwell Stamp survey of Bangladeshi migrants)

## CONCERNS

## Need for an **Evidence Base** for Effective Planning...

Launched an assessment in KSA with specific aims to identify-

- I. Key challenges and opportunities in construction sector employment for Bangladeshi migrant workers
- II. Perceptions of migrant workers held by construction sector employers and stakeholders.
- III. Employers' perceptions of the potential impact of RPL for Bangladeshi workers

## Step 1: Conceptualization and Design

Developed a framework to identify key research questions and likely sources and enable different research foci.

## Step 2: Desk Research & Forecasting

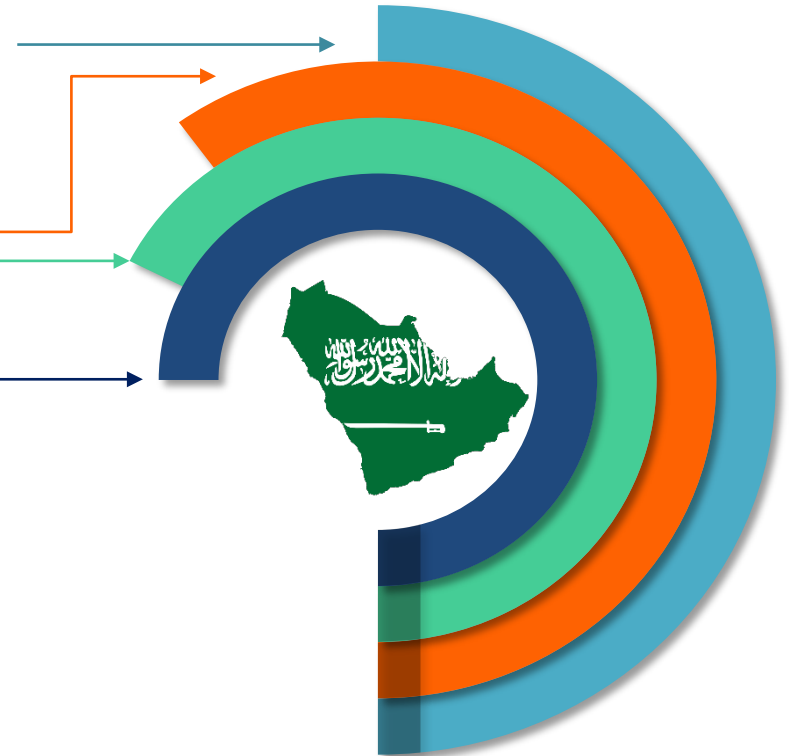
Desk review of research publications from different professional bodies; data collected through BMET, ILO, General Authority for Statistics in KSA, Saudi Arabian Monetary Agency; reviewed 729 construction job advertisement.

## Step 3: Primary Research

Mapping identified 200 key stakeholders.  
Interviewed 47 respondents.

## Step 4: Analysis & Reporting

Qualitative findings were triangulated with desk review; analyzed through software.



## 2016 Ban Lifting: Positive for BD Migrants

The number of Bangladeshi workers increased from **4,600** in July 2016 to **52,000** in February 2017 after the lifting of ban in Aug 2016.

### ↓ Demand for Migrants

**Employers** in general anticipate the demand of migrant workers to be decreasing.

### Paid 25% less

Bangladeshi Migrant Workers are paid 25% less than workers of other nationalities.

### High Growth

1/7 of the total workforce in KSA work in the construction sector.

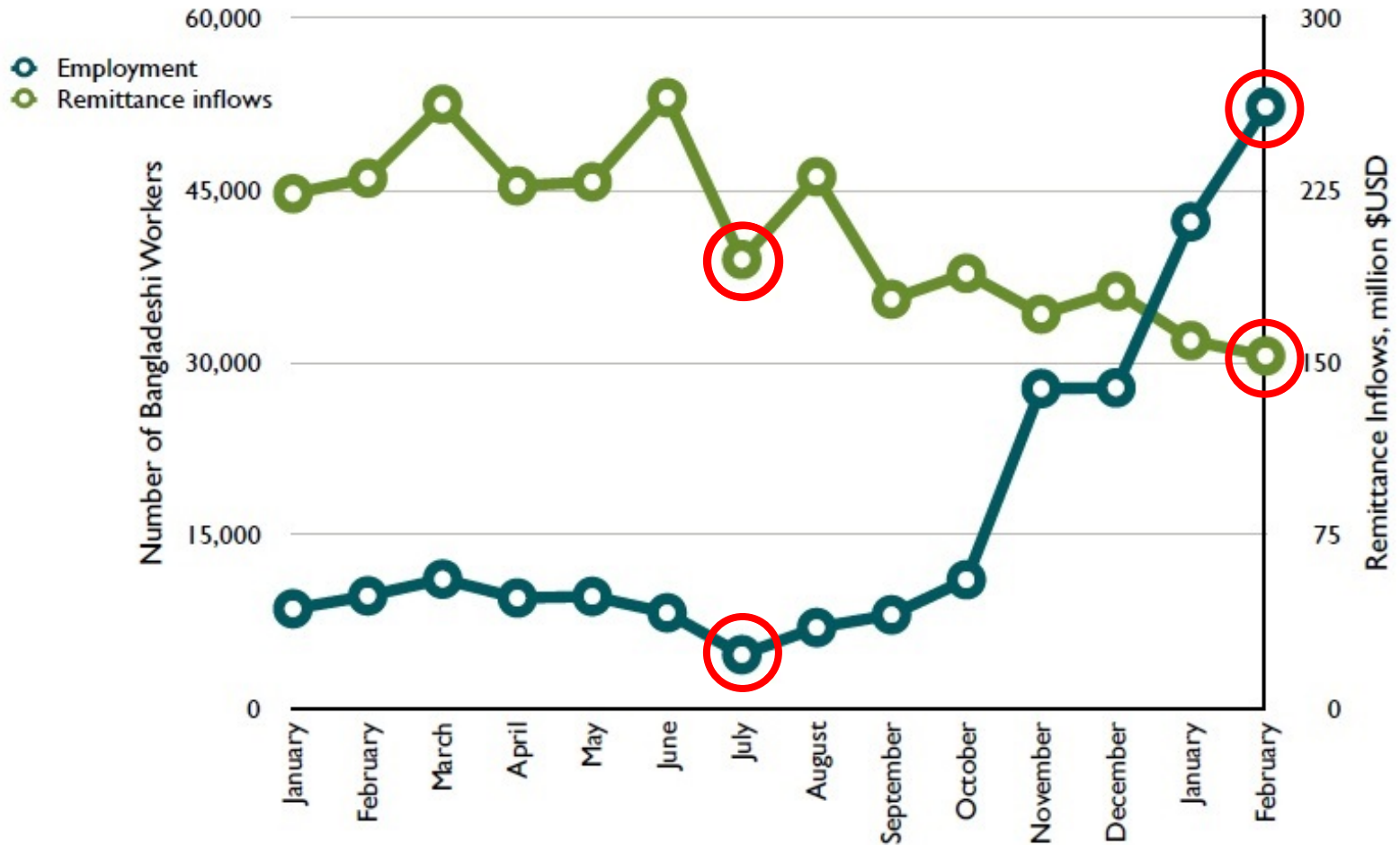
### \$35M Less Remittances inflows

Remittances inflows from KSA have fallen by around USD 35 million (from Jul 2016 to Feb 2017).





### Employment of and Remittance Inflows from Bangladeshi Workers in KSA from January 2016 to February 2017



## The Host Country Government's Approach

Saudi Govt. aim to increase number of Saudi workers in skilled trades.

While Govt. is trying to introduce 'mega recruitment agencies', many employers still prefer traditional agencies and informal networks.

## The Preference of Employers

Employers value prior experience over skills certificate/qualification.

Employers prefer own in-house skills test instead of certificate provided by employees.

While minimum referral wage set by GOI remains a necessity, employers feel that Bangladeshi migrant workers are likely to fill in the shortfall of Indian migrants in mid term.

## The 'Ugly Truth'

Employers try to maximize the productivity with lower wages for migrants.

### Emphasis given by Recruiters in Construction Sector



Graph shows a mean score out of 4

# Perception about Bangladeshi Migrant Workers



More effective for short term projects

**56%**

Employers surveyed believe that Bangladesh TVET qualifications **fairly, accurately or to some extent** verify workers skills

**44%**

Believe that the qualifications are either **not at all** or only **slightly accurate**.

## THE POSITIVES



55% of employers interviewed believe - RPL would be useful to get the Migrant Workers skills assessed and certified

## THE NEGATIVES



Some firms have their own skills testing system



Upskilling implies = Higher salary = Concern for employers

## CHALLENGES



## Ensure

Bangladeshi migrant workers gain a competitive advantage through enhanced skills and better perception amongst employers

## Provide

short courses on **soft skills** along with hard skills

## Link

skills with increased productivity- Promotion of the Bangladeshi skills verification system among the employers and policymakers in KSA



## Build

awareness among the Bangladeshi Migrant workers on the **value of RPL test**

## Design

a support package for the Migrant workers facing exploitation and living in dangerous situation

## Promote

skills and opportunities for Bangladeshi workers- Link skills development authorities, industry representatives with mega recruiting agencies



Engaging Bureau of Manpower Employment (BMET) SEIP project to establish RPL centers in destination country to certify Migrants.

*To be initiated as a pilot with 100 migrants.*

**Promote replication through the Skills for Migration Forum**



Planned interventions to ensure prospective migrants have globally accredited certification as well as ensuring remigration opportunities for returnee migrants by offering RPL certification.

**MoU signed with City & Guilds, in process of signing MoU other global skills certification providers**



Collaborating with ILO to understand how the National Training and Vocational Qualification Framework (NTVQF) levels could be accepted by the Employers in KSA

Advocating for adaptation of an Employers Pay Model



**IRIS: A Consortium of International Stakeholders Committed to Fair Selection and Recruitment Standards**

# THANK YOU



International Organization for Migration (IOM)

The UN Migration Agency

Facilitating Safe, Orderly, Regular and Responsible Migration for the  
benefit of Migrants and the Nation Socially and Economically