A Migrant’s Journey for Better Opportunities: The Case of Pakistan
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<tr>
<td>AHANA</td>
<td>Aik Hunar Aik Nagar Authority</td>
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<tr>
<td>BEOE</td>
<td>Bureau of Emigration &amp; Overseas Employment</td>
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<td>BISP</td>
<td>Benazir Income Support Programme</td>
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<td>BLAs</td>
<td>Bilateral Labor Agreements</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>CWA</td>
<td>Community Welfare Attaché</td>
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<td>DOLE</td>
<td>Department of Labour and Employment</td>
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<td>EPS</td>
<td>Employment Permit System</td>
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<td>FATA</td>
<td>Federally Administered Tribal Areas</td>
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<td>FSA</td>
<td>Foreign Service Agreement</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>Fiscal Year</td>
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<td>G2G</td>
<td>Government to Government</td>
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<td>GCC</td>
<td>Gulf Cooperation Council</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HIES</td>
<td>Household Income and Expenditure Survey</td>
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<td>HRD</td>
<td>human resource development</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>INGO</td>
<td>International Nongovernmental Organization</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>KNOMAD</td>
<td>Global Knowledge Partnership on Migration and Development</td>
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<td>KOICA</td>
<td>Korea International Cooperation Agency</td>
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<td>KPK</td>
<td>Khyber Pakhtunkhwa</td>
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<td>KSA</td>
<td>Kingdom of Saudi Arabia</td>
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<td>LSS</td>
<td>Labor and Skills Survey</td>
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<td>MFI</td>
<td>Microfinance Institution</td>
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<td>MOFA</td>
<td>Ministry of Foreign Affairs</td>
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<td>MOPHRD</td>
<td>Ministry of Overseas Pakistanis and Human Resource Development</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>Acronym</td>
<td>Full Form</td>
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<td>MRC</td>
<td>Migrant Resource Centre</td>
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<td>NADRA</td>
<td>National Database and Registration Authority</td>
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<td>NGO</td>
<td>Nongovernmental Organization</td>
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<td>NRCO</td>
<td>National Reintegration Center for OFWs</td>
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<td>NRP</td>
<td>Non-Resident Pakistani</td>
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<td>OEC</td>
<td>Overseas Employment Corporation</td>
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<td>Overseas Filipino Workers</td>
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<td>Ordinary Least Squares</td>
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<td>Pre-Departure Orientation Seminar</td>
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<td>Pravasi Nepali Coordination Committee</td>
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<td>POE</td>
<td>Protectorate of Emigrants</td>
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<td>POEPA</td>
<td>Pakistan Overseas Employment Promoters Association</td>
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<td>PRs</td>
<td>Pakistan Rupees</td>
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<td>PRI</td>
<td>Pakistan Remittance Initiative</td>
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<td>SAMI</td>
<td>Safer Migration Project</td>
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<td>SBP</td>
<td>State Bank of Pakistan</td>
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<td>TTC</td>
<td>Trade Testing Center</td>
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<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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Chapter 1. Introduction

The number of Pakistani labor migrants seeking opportunities abroad significantly increased from some 200,000 departures in 2006 to over 900,000 in 2015, then plummeted to less than 500,000 in 2017 (figure 1.1). Given that Pakistan’s labor force grew by approximately 4 million individuals per year over the same period, the flow of out-migrants is quite significant. And the number would be even higher if irregular migrants were incorporated: the United Nations Office on Drugs and Crime (UNODC 2012) estimates that up to 300,000 people have been leaving Pakistan each year though irregular channels. The decision to migrate is determined by various push and pull factors: push factors include dire economic conditions and labor market challenges in the domestic market, while the primary pull factors are growing labor demand in key destination countries and a large income differential between Pakistan and overseas markets (figure 1.2). As seen between 2015 and 2017, the number of outgoing migrants can significantly fluctuate depending on destination countries’ labor demand and economic conditions.

Figure 1.1 Total Flow of Migrants over Time

![Graph showing total flow of migrants over time.](image)

Source: Bureau of Emigration and Overseas Employment (BEOE) Website and World Development Indicators.

Note: GDP = gross domestic product.

Figure 1.2 Earnings Differences in US$

![Graph showing earnings differences in US$.](image)


Remittances sent home by the migrants play an important role in reducing poverty in Pakistan overall, and particularly in supporting households in conflict-affected areas. Estimating the exact volume of remittances is difficult given the prevalence of informal channels for funds transfers and somewhat unclear definitions of migrants. Nonetheless, in 2015–16, remittances were reported to be US$19.9

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1 The labor force grew by 3.3 percent a year while job creation, at around 3 percent, barely matched the rate of new entrants to the labor force between 2008 and 2014. If such a job growth trajectory persists, it is unlikely that the economy will create sufficient opportunities for young labor market entrants.

2 Pakistani migrants earn on average three times as much as what they could expect to earn at home, irrespective of the level of their educational attainment.

3 Migrants are often defined as someone who reside in the country where he or she was not born into regardless of the citizenship (The International Organization for Migration). This broad definition includes forced or involuntarily displaced migrants (e.g., refugees), those who voluntarily move rather permanently (e.g., immigrants), and those who temporarily migrate to seek employment opportunities (e.g., temporary labor migrants) in line with Cho et al. (2018). In the context of Pakistan, confusion arises due to The Pakistan Citizenship Act of 1951, enacted on 13 April.
billion, placing Pakistan in sixth place among the top 10 remittance-receiving countries globally. This number is equivalent to over 7 percent of the gross domestic product (GDP) of the same fiscal year (figure 1.1). Studies find evidence that remittances make a positive contribution to economic growth and poverty reduction globally, and in Pakistan, positive links have been established between remittances and social outcomes such as children’s increased enrollment in school and reductions in child labor, particularly of girls. At the province level, in Khyber Pakhtunkhwa (KPK), the origin of many migrants, remittances have played an important role in providing food and income security as well as rebuilding destroyed homes and basic infrastructure affected by conflict (Gioli et al. 2013).

While the importance of international migration in the Pakistani economy is increasing, there are many challenges—from the macro, micro, and institutional perspectives—that hinder the country from maximizing the benefits of international migration. From the macro perspective, risks are not diversified across regions and sectors. Instead, Pakistani workers are heavily concentrated in two destination markets (Saudi Arabia and the United Arab Emirates) and a limited set of occupations. From the micro perspective, skills and productivity issues remain significant while numerous risks along the migration process compound workers’ challenges and expose them to exogenous shocks. From the policy perspective, institutional mechanisms to address those macro and micro issues are weak—many players operate in the field, but key legal and policy frameworks that provide the rules of the game, along with the implementation and enforcement mechanisms, are lacking.

Most Pakistani labor migrants have headed to either Saudi Arabia or the United Arab Emirates in the past decade, 40 percent to work as laborers (figures 1.3 and 1.4). When migration from Pakistan to Saudi Arabia dropped, from over 450,000 in 2016 to less than 150,000 in 2017—a 70 percent decrease—this had a profound effect on Pakistan’s overall migration trends. This explains the plummet of total number of out-migrants from Pakistan during the same period. This sudden shift reflects a combination of factors wholly out of Pakistan’s control: a fall in oil prices, a shift in Saudi labor policies favoring nationals over immigrants, the imposition of fees on migrants bringing dependents into Saudi Arabia, and increased competition from other labor migrants (after Saudi Arabia lifted a ban on Bangladeshi labor migrants [BEOE 2017]). Given that Pakistani migrants are mostly concentrated in occupations where labor is replaceable without specialized skills, such as laborers and drivers, they are largely exposed to competition with other low-skilled migrants. This sudden reversal of the trend due to concentrated overseas labor market highlights the need for markets diversifications.

1 See Mansuri (2006); Javid, Arif, and Qayyum (2012); and Arif (2010). These studies complement findings from around the world, including Indonesia (Adams 2010), Philippines (Yang and Choi 2007), Latin America and the Caribbean (Acosta 2006), and Nepal (Lokshin, Bontch-Osmolovski, and Glinskaya 2010) on the poverty-reducing impact of remittances, and studies in the Philippines (Yang 2007) and Ecuador (Ponce 2011) which have seen positive impacts on education and health outcomes.
In addition to exogenous shocks associated with markets, the migration process is filled with a myriad of risks. Migration is a complex process that involves a series of decision-making points at every phase of the process—pre-decision, deployment, pre-departure, in-service (during overseas employment), and upon return. During this process migrant workers are faced with various market failures, most notably an asymmetry in information and bargaining power between workers and employers, credit market constraints, and intermediaries’ rent-seeking behaviors (and the regulatory gaps that allow them). Migrants’ decision-making process is often constrained by monetary as well as non-monetary costs (including opportunity costs, search and information costs, and psychological costs). Due to these market failures and constraints, migrants are exposed to risks and vulnerabilities, which limit the realization of full benefits of international migration and its positive spill over impacts to the local economy in home country.

Pakistan’s migration system is limited in its capacity to reduce risks and protect workers throughout the migration process. The Emigration Ordinance and Rules, established in 1979 (and updated later), provide a legal and institutional foundation for migration, but significant efforts are required in their implementation and enforcement. Key actors—both public and private—need to strengthen their functions to ensure transparency regarding overseas migration (such as by publishing information on overseas vacancies as well as on the risks and benefits associated with migration), to protect migrants (by regulating private recruiters to lower migration costs, ensuring that workers are aware of their rights at destination, and providing insurance against unforeseen circumstances), and to facilitate the return of migrants (by issuing a bond mechanism, for example). New technologies could be used to help reduce information gaps, manage workers’ journeys, and facilitate financial management and return.

This report reviews Pakistan’s migration system from the perspective of both governance and also the migrants themselves. It is organized as follows: Chapter 2 assesses Pakistan’s current migration management system, including its institutional and legal arrangements as well as the functioning of the recruitment markets. Chapter 3 provides an overview of a typical Pakistani migrant’s journey by walking through the various stages of migration and the expected risks and benefits that influence decisions (and, consequently, outcomes). Chapter 4 draws on global evidence to propose unilateral and bilateral initiatives and policy recommendations that promise to promote safe, inclusive, and productive migration from Pakistan and to maximize its development impact. Chapter 5 concludes the report. The report relies on quantitative and qualitative data derived from a large number of sources, as outlined in box 1.1.
Box 1.1 Data Sources Utilized

Quantitative Data Analysis
There is a dearth of data on migrants. We rely on several available datasets, including:

- **The World Bank Global Knowledge Partnership on Migration and Development (KNOMAD) Migration Cost Survey 2015**: This captures costs incurred by workers and covers the Pakistan–United Arab Emirates (UAE) and Pakistan–Saudi Arabia corridors, along with eight other migration corridors. This allows for comparison across countries, with a sample size of 3,149. In addition to costs, it also provides information on several important dimensions such as wages, worker protection, hours worked, duration of stay, and training taken.

- **Administrative data**: The Bureau of Emigration & Overseas Employment (BEOE) publicizes aggregate data on annual emigration from Pakistan including destination countries, source districts/provinces, skill levels, and occupation categories.

- **Labor and Skills Survey for Pakistan 2014 (LSS)**: The LSS is representative at the national and provincial level and has a sample size of about 4,500 working-age individuals. It includes detailed employment information for a randomly selected working-age man and woman including information on the intention to migrate, social networks abroad, languages, and other skills.

- **Labor Force Survey 2014-15 (LFS)**: The LFS is representative at the national or provincial level, and includes detailed information on the economic activities of returnee migrants including employment status, type, and sector. This allows for comparisons of their labor market outcomes with those of non-migrants (who have stayed in the domestic labor market) and former migrants (who had migrated, then returned from overseas).

- **Household Income and Expenditure Survey (HIES) 2013-14**: This a nationally representative dataset for Pakistan, with information on household consumption, remittances, and absent households that allows for analysis migrants' households.

Qualitative Analysis
This report also relies on multiple focus group discussions (FGDs) at various stages with aspirant migrants, current migrants (on holiday in Pakistan), and returnees, mostly in Lahore and Islamabad. In addition, discussions were also held with government counterparts, recruitment agents, the Pakistan Overseas Employment Promoters Association (POEPA), and technical and vocational education and training (TVET) institutes to deepen understanding of the workings of the current migration system.
Chapter 2. Governance of Migration

2.1 Legal and Policy Framework
The Emigration Ordinance 1979 provides a basic legal framework governing out-migration (box 2.1). It mandates the State’s role and necessary intervention to promote overseas employment, control and regulate such outflows, and protect migrant workers’ rights and welfare. The ordinance thus authorizes the government to make emigration rules (Clause 16) as necessary in line with the purposes of the ordinance, and furthermore defines overseas Pakistanis as those who work or reside abroad permanently or temporarily for not less than six months (the Emigration Act 2016, an amendment of the Ordinance 1979).

The Emigration Rules 1979, based on the Ordinance but updated in 2012, stipulate more detailed measures that address various aspects of the full cycle of migration. Measures include: regulation of overseas employment promoters (OEPs) (including of licensing, security deposits, recruitment service fees, documents to protect migrants); support mechanisms for accommodation and medical care abroad for migrants; implementation of the welfare fund for migrants and their families left behind; and a bond mechanism to help ensure the return of migrants and receive returning migrants. The bond is refunded to migrants only if they honor the terms of the employment contract, the visa and other legal conditions specified in the bond agreement.

In practice, enforcement appears to fall short. A few examples include:

- **Migration costs**: The Emigration Rules (Clause 15-A) prohibit OEPs from charging fees beyond the actual expenses incurred for air tickets, medical exams, work permits, levies, visas, and documentation along with a service fee capped at Pakistan rupees (PRs) 6,000. However, surveys of migration costs (conducted by the World Bank’s Global Knowledge Partnership on Migration and

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5 The amendment is mainly to introduce a modest revision in the definition of overseas Pakistanis; the Ordinance remains a principle document.

6 In addition to the major migration legislation and rules discussed above, supplemental legislation related to international migration includes the Federal Investigation Agency Act 1974, which established the Federal Investigation Agency, mandated with responsibilities to investigate all specified offences including the punishable offences under the Emigration Ordinance; Prevention and Control of Human Trafficking Ordinance 2002 under the Ministry of Interior; Passport Act and Passport Rules 1974, which regulates departure from and entry into Pakistan and visits to foreign countries undertaken by citizens of Pakistan; Exit Control Ordinance 1981, which empowers the government to prevent the exit of any person from the country regardless of having valid documentation for the exit, without specifying the foundation for such prevention from exit.
Development, KNOMAD) reveals that temporary labor migrants have been paying large recruitment service fees and also fees for job information, and making informal payments to expedite the emigration process.

- **Recruiters’ use of subcontractors**: The Emigration Rules (Clauses 7, 11) prohibit OEPs from subcontracting work to unlicensed agents. In practice, however, OEPs do hire unlicensed subagents to recruit migrants, especially from rural, remote areas where information penetration is likely to be low.

- **Migrant wages**: The Emigration Rules (Clause 20-A) mandate that the Bureau of Emigration & Overseas Employment (BEOE) assess whether the wages and other terms and conditions of overseas positions offered are “reasonable” prior to granting OEPs permission to process the demand. But it does not define what a “reasonable” level of wages is.

Despite these and other gaps, this key legal framework provides an important basis for subsequent government efforts to effectively manage international migration. In 2009, the Ministry of Overseas Pakistani and Human Resource Development (MOPHRD) drafted a National Emigration Policy. Then, in 2013, the ministry developed a draft National Policy for Overseas Pakistanis and conducted a consultative workshop to vet the policy to be tabled for the federal cabinet’s approval. However, neither the 2009 nor 2013 draft was approved. In 2018, the MOPHRD is taking the lead in drafting a National Emigration and Welfare Policy for Overseas Pakistanis, which will be essential to promote safe migration from Pakistan and achieve better coordination among various authorities.

There are also ongoing efforts to mainstream migration in economic development plans and labor policies. The 11th Five-Year Plan 2013–18 recognizes that remittances contribute to poverty reduction and, as part of employment generation strategies, outlines ways the government might do more to harness overseas employment opportunities. They include: concluding memoranda of understanding (MOUs) with labor-receiving countries; providing full support (through Pakistani embassies) to the OEP delegations who visit labor-receiving countries; and advocating overseas employment of skilled workers by facilitating their international accreditation and certification.

The government has also prioritized attracting diaspora resources (financial and human capital) for domestic development. The government’s long-term development plan, Vision 2025, envisions an increase in diaspora investment (and remittances) in the private sector from current US$14 to US$40 billion (2025), under the pillar of private-sector-led growth (Ministry of Planning, Development & Reform, Pakistan 2025: One Nation, One Vision). The 11th Five Year Plan 2013–18 includes a National Talent Pool strategy—Programme for the Care of Highly Qualified Overseas Pakistanis to accommodate high-skilled Pakistani professionals living abroad. They are invited to fulfil sectoral needs, relevant to their areas of specialization, in short- or long-term assignments.

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7 The draft 2009 policy calls for developing employment and human resource development (HRD)-led macro and sectoral policies to tap the employment potential abroad. In this vein, it suggests promoting emigration through aggressive marketing such as official missions abroad and job fairs, while reducing the costs of migration and increasing awareness of safe migration.

8 Pakistan targets sending at least 600,000 skilled workers abroad annually (The 11th Five Year Plan, Chapter 7, Labor, Employment and Skill Development).

9 About 6,500 high-level professional Pakistani expatriates has been registered, including doctors, engineers, scientists, social scientists, educationists, chartered and cost accountants, agriculture experts, computer scientists, management experts, and other disciplines. The office has developed a virtual interface to disseminate such data online through an official web-portal (http://www.ppqp.gov.pk) (the 11th Five Year Plan).
calls for maximizing the welfare and empowerment of the diaspora, providing overseas Pakistanis an opportunity to become partners in development, and establishing an overseas Pakistan facilitation centers to facilitate investment, promote knowledge sharing, and build business partnerships (Wickramasekara 2015).

In line with this, domestic labor policies at both the federal and provincial levels also aim to lower barriers to emigration. Labor Policy 2010 at the federal level calls for simplifying and streamlining emigration procedures by revising the Emigration Rules, and recommends that OEPs be offered incentives to improve their performance. The draft Punjab Labor Policy 2015 recognizes several challenges facing emigrants, including recruitment mechanisms, the high costs of migration, and lack of information about the type of jobs available. It also commits to raising technical and vocational education and training (TVET) competence in line with the demand observed in labor-receiving countries. Regarding the management of migration, a draft Punjab Labor Policy 2015 calls for building a collaborative mechanism with relevant federal government agencies to better tap overseas employment opportunities for the Punjab workforce.

Reintegrating returnees is an important policy goal, given the resources they bring that can be channeled into productive activities in local markets. The draft National Emigration Policy 2009 recommends several strategies for supporting the social and economic reintegration of returning migrants, including (i) to disseminate information at major airports on investment, employment, and skill enhancement opportunities, targeted to returnees; and (ii) to develop reintegration strategies at the local level; examples include so-called growth triangles supported by organizations such as the Aik Hunar Aik Nagar Authority\(^{10}\) in pockets of high emigration. The Labor Policy 2010 also names returning migrants as a potential asset and commits to expanding existing schemes to attract the investment of migrants both abroad and returning. The Punjab Labor Policy states the need for keeping proper records on returning migrants in order to formulate evidence-based return policies.

To facilitate remittances, the government has implemented the Pakistan Remittance Initiative (PRI), jointly launched by the State Bank of Pakistan, the Ministry of Overseas Pakistanis (the former MOPHRD), and the Ministry of Finance. This aims to increase the flows of remittances through formal channels (by expanding bilateral arrangements between banks in Pakistan and foreign partners); to support faster, cheaper, and more convenient and efficient inflows of remittances (through cooperating with post offices and microfinance banks, and improving payment system infrastructure); and to provide innovative remittance products such as special non-resident Pakistani (NRP) accounts and Pardes cards (PRI 2015).

In addition to unilateral policies that address migration issues, the government is also engaged in bilateral and multilateral initiatives aimed at promoting the welfare of migrants. The government commits to make efforts to sign bilateral labor arrangements to expand overseas employment opportunities (the 11th Five Year Plan), while promoting mutual gains from migration. Pakistan has signed MOUs (more flexible than a legally binding arrangement such as a bilateral labor agreement) with the following countries: Bahrain (2014), Italy (2009), Jordan (1978), the Republic of Korea (2006), Kuwait (1995, revised in 2013), Libya (2009), Malaysia (2003), Qatar (1987, revised in 2008), and the United Arab Emirates (2006). While most trade agreements require that signing parties publish the agreements to ensure transparency, many of the MOUs that Pakistan has signed are not publicly available.\(^{11}\) This makes

\(^{10}\) An institute that supports small-scale entrepreneurs in the development of marketing strategies, with a focus on the sale of handicraft products.

\(^{11}\) An exception would be the MOU with the Republic of Korea, concluded in 2006 as part of Korea’s implementation of its Employment Permit System (EPS). The MOU as well as migration cost structures and processes are published and publicly available in Pakistan as per the policy of EPS. While this particular MOU is a good, transparent example
it difficult to evaluate the terms and effectiveness of these MOUs in facilitating labor mobility across borders and protecting migrants in destination countries. Furthermore, most of these bilateral arrangements require that various stakeholders provide input into the design, and that monitoring and follow-up be carried out to ensure transparency. But in the case of Pakistan, it is unclear how the government has managed these processes. Specifically, little is known how negotiations were carried out and to what extent the arrangements reflect a balance of the views of various stakeholders, including labor migrants themselves.

Pakistan has also been participating in multilateral dialogues to promote Pakistanis’ overseas employment and enhance their protection in destination countries. It is a member of the Abu Dhabi Dialogue, Colombo Process, and the more recent Global Forum on Migration and Development. While these regional initiatives promote a collaborative approach to addressing common challenges in international migration, their actual impact remains weak. The ideas that underpin them, however, are worth nothing. One, sending countries at different levels of maturity can offer lessons to one another that will enhance efforts to tackle common challenges. Two, to leverage their bargaining power in relation to receiving countries, sending countries can come together to form coalitions. Three, sending and receiving countries can work together to maximize mutual gains from migration while promoting migrant welfare.

2.2 Institutional Framework

Several key institutions operate under the MOPHRD (figure 2.1) and execute the legal and policy efforts mentioned above. The MOPHRD, established in 2013 through a merger of two preexisting ministries (the Ministry of Overseas Pakistanis and the Ministry of Human Resources), develops measures to enhance the welfare of Pakistani emigrants and their family members left in Pakistan, within the ambit of overseeing broader human resource development in the country. Three of the ministry’s agencies—the Bureau of Emigration & Overseas Employment (BEOE), the Overseas Employment Corporation (OEC), the Overseas Pakistanis Foundation (OPF)—plus the community welfare attachés it oversees implement migration-related policies, rules, and regulations. Currently, the institutional framework does not include a policy coordination body, despite attempts to establish one. For instance, the Labor Policy 2010 had envisioned the establishment of a Manpower Export Committee at the national level to coordinate with line ministries and local governments, as well as to prepare overall migration strategies and support labor mobility. Instead, the non-governmental Overseas Pakistani Advisory Council (OPAC), approved by the OPF, advises the OPF on issues associated with overseas Pakistanis (Wickramasekara 2015).

of a BLA, the quota for Pakistani workers has remained low and is even seen to be declining. In 2015, Pakistanis accounted for less than 4 percent of the total EPS workers from South Asia; and the number of Pakistani EPS workers nearly halved, dropping from 718 in 2008 to 400 in 2015. See Cho et al. (2018) for more information.

12 The Ministry of Foreign Affairs (MOFA) is tasked with managing Pakistan’s diplomatic and consular relations as well as its foreign policy. Thus, MOFA is responsible for maintaining Pakistani government offices abroad and supporting overseas Pakistanis. However, the report focuses on labor migrants, and thus highlights the role under MOPHRD.

13 Its vision is to be “vibrant, efficient and transparent official business process based on integrated IT networking and to provide better services to the Overseas Pakistanis (OPs), rehabilitation of returning OPs, taking measures for protection of their investment, to secure emigration of right worker for right job, to promote workers welfare by adopting workers friendly policies and to ensure provision of social protection and decent working condition” as well as “the preparation of special incentives for the Pakistani Diaspora to proactively participate in the National Development and economic growth” as per the Ministry’s Yearbook 2013–14.
Figure 2.5: Institutional Arrangement of Pakistan’s Migration System

Source: Authors’ compilation.

Note: INGO = international non-governmental organization; KPK = Khyber Pakhtunkhwa; NGO = non-governmental organization; NTAVCC = National Vocational and Technical Training Commission; TVET = technical and vocational education and training.

Bureau of Emigration & Overseas Employment (BEOE) and Protectorate of Emigrants (POE)

The BEOE, under the Emigration Wing of the MOPHRD, is the main agency that implements rules related to emigration procedures. Key functions and responsibilities of the BEOE include facilitation of overseas employment, dissemination of information on the migration process and employment opportunities, worker protection measures, and regulatory oversight of private sector OEPs. The BEOE operates primarily through its seven POE Offices—Lahore, Rawalpindi, and Multan in Punjab; Karachi in Sindh; Peshawar and Malakand in KPK; and Quetta in Balochistan. POEs play key roles in managing private recruitment agencies and prospective migrants in the deployment process. These include its efforts to (i) process overseas labor demands, (ii) ensure that prospective migrants understand the terms and conditions of foreign employment, (iii) collect information on overseas experiences from returning migrants, and (iv) supervise the performance of OEPs. The workload of these protectorates varies largely, reflecting the volume of emigration from the districts they serve. As will be discussed in the next chapter, for only seven protectorates, unevenly distributed across the country, to carry out all these activities is increasingly difficult given the growing volume of migration from Pakistan.
**Overseas Employment Corporation (OEC)**

The OEC is a public agency that is authorized to locate jobs abroad and recruit workers for these jobs.\(^{14}\) It maintains a data bank of resumes of jobseekers and sends these to foreign employers in response to requests for job matching. Unlike private OEPs, the OEC is concerned with specific occupations or arrangements. For instance, it handles the deployment of Pakistani workers who go to Korea under the Employment Permit System (Korea’s bilateral arrangement for temporary labor migrants from 16 Asian countries)\(^{15}\) and facilitates the employment of Pakistani doctors in Saudi Arabia and Oman (MOPHRD, Yearbook 2013–14). However, the role of the OEC as a recruiting agency has gradually declined over the years. Between 1971 and 2015, around 58 percent of all migrant workers going abroad formally went through OEPs, followed by 40 percent through their own efforts; only 2 percent used the OEC services. During fiscal year (FY) 2015, only 1,128 workers utilized the services of the OEC.

**Overseas Pakistanis Foundation (OPF)**

The OPF, established under the Emigration Ordinance 1979, is a public entity that provides welfare services to overseas Pakistanis and their families left in Pakistan. Services include education, health care, and housing. The OPF also supports special cases such as the economic rehabilitation of disabled returning Pakistanis, transportation of corpses, and assistance to those affected by emergencies. The activities and services of the OPF are financed through the OPF Welfare Fund, in which each Pakistani going abroad to work is required to deposit PRs 2,500 (US$21) as insurance. The insurance can be claimed for up to PRs 1 million in case of unforeseen extreme events, and the insurance membership is valid during the stay abroad and up to five years within the worker’s return to Pakistan.

The foundation has launched many schemes and concessions for overseas Pakistanis. The schemes include:

**For migrant protection**
- Complaint cell for overseas Pakistanis;
- Financial assistance to destitute families of overseas Pakistanis in the event of death or disability;
- Assistance during times of disasters;
- Ambulance services for the transportation of dead bodies of overseas Pakistanis to their native towns free of cost;
- Establishment of one-window facilitation desks at airports.

**For families left behind in Pakistan**
- Housing schemes for residential development;
- Schemes to provide education for overseas Pakistani families, including establishment of schools and colleges in Pakistan, a financial assistance program, reserved seats, online education initiatives, and merit awards;
- Establishment of eye hospitals in Pakistan;
- Assistance in recovering the outstanding benefits of repatriated Pakistani workers.

While the impact of these schemes has not been assessed, it appears that the decision on the management and use of the Welfare Fund is unclear; also, there is a lack of clear targeting among migrants and their families who likely require support. For instance, establishing schools, colleges, and

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\(^{14}\) It has regional offices in Karachi, Lahore, Peshawar, and Quetta.

\(^{15}\) See Cho et al. 2018.
hospitals in Pakistan without targeting migrants’ families, while it may promote a good cause of human capital investment, may not be the best use of the Welfare Fund.

**Community Welfare Attachés (CWAs)**

CWAs, which are operating in 15 major destination countries, serve to provide protection for migrant workers abroad. CWAs are expected to provide dispute resolution and intermediation services when migrants file complaints against their employers, to handle extreme cases such as death and criminal charges against migrant workers, and to keep in regular contact with migrant communities. On the promotional side, they gather information regarding professions and skills in demand in receiving countries, and write periodical reports for the MOPHRD that monitor social and economic development in destination countries including labor market trends, inflation, and cost of living.

**Overseas Employment Promoters (OEPs)**

OEPs are the registered private recruitment companies that facilitate overseas employment. They need to acquire a license from the BEOE to operate and to establish contracts with foreign employers for Pakistani workers. In addition, the OEPs often represent overseas employers or intermediaries such as recruitment companies. As of 2016, there were 2,195 licensed OEPs in the country, of which the largest share (35 percent) were in Rawalpindi, followed by Lahore (20 percent) and Karachi (16 percent) (figure 2.2a). The capacity of OEPs varies widely such that over 60 percent of the OEPs were able to mobilize less than 100 migrants per year, while only 1 percent of OEPs had the capacity to mobilize over a 1,000 migrants per year (figure 2.2b). OEPs have formed the Pakistan Overseas Employment Promoters Association (POEPA), which collectively represents OEPs.

**Figure 2.6: Distribution of OEPs**

![Diagram A: Distribution of OEPs by Location]

![Diagram B: Distribution of OEPs by Capacity]

Source: BEOE

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16 Bahrain, Greece, Iraq, Italy, Kuwait, Malaysia, Norway, Oman, Qatar, the Republic of Korea, Saudi Arabia, the United Arab Emirates, the United Kingdom, and the United States.

17 POEPA is registered with the Securities and Exchange Commission of Pakistan under the Companies Ordinance (1984). Apart from regulations from the BEOE, the POEPA’s member OEPs follow the business rules developed under the Emigration Ordinance and the Code of Conduct for ethical recruitment.
The BEOE is in charge of providing OEPs with licenses, which can be revoked in case of violations such as worker abuse or falsified foreign employment. If an OEP has successfully facilitated 50 or more workers in the last three years of the license, the license renewal is granted for another three years.\textsuperscript{18} In addition, OEPs with reliable performance are also recognized by the government through a performance certificate. In case of misconduct, licenses can be revoked or their renewal denied. As of 2016, 129 licenses have been canceled while 15 percent of OEPs have received at least one complaint in the past three years. To promote the transparent regulation of OEPs, the BEOE has been making key OEP-related information (e.g., contact information, complaints, OEPs with licenses revoked) publicly available through its website. However, the information remains underutilized, given that many aspiring migrants may not have access to the Internet or may not be familiar with the BEOE website.

For a large majority of migrants, the interface of service is unlicensed recruitment agents rather than OEPs. These are most often individual brokers who match aspirant migrants with OEPs and, sometimes, directly with a foreign-based recruiter. These brokers, unlicensed and unregistered, are outside the realm of regulatory policies governing OEPs and operate informally, often charging a large service fee. In fact, their presence is the major culprit for the markedly high migration costs borne by Pakistani workers. Since they are not registered with official channels, there is no credible estimate of the number of active labor migration brokers in Pakistan; however, the demand for their services is strong, among both OEPs and aspiring migrants. Most OEPs are based in large cities, and it is may be financially unviable for them to have branch offices, although they are legally allowed to have up to two. Thus, many OEPs find it more cost effective to rely on brokers to mobilize aspirant migrants from rural areas. Meanwhile, aspiring migrants are most likely to rely on brokers from their own communities to navigate the bureaucratically and administratively challenging migration process at a premium. Other than damage to their reputation, these brokers do not bear any costs or consequences for misconduct that may include price setting, excessive fees, as well as failure to provide migrants with key information on contracts.

\begin{table}[h]
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\begin{tabular}{|l|}
\hline
\textbf{Box 2.2 Marketing Strategies for Overseas Employment Promoters (OEPs)}
\hline
OEPs play an instrumental role in bringing job orders to Pakistan from foreign employers. Since Pakistan’s OEPs face high competition not just among themselves but also with the tens of thousands of private recruitment intermediaries from other South Asian labor-sending countries, connections with foreign employers are a determining factor of OEPs’ performance. In order to secure good connections with the foreign employer, OEPs often:
\begin{itemize}
  \item Tend to work with Pakistani recruitment agencies established abroad;
  \item Monitor labor market conditions and collect information on large scale projects and other labor demands regularly;
  \item Have dedicated marketing representatives abroad or co-own businesses abroad;
  \item Establish business-to-business relationships with recruitment agents and manpower supply companies; and
  \item Actively reach out to human resource managers of foreign-based employers.
\end{itemize}
\hline
\end{tabular}
\end{table}

\textsuperscript{18} Similarly, licenses are renewed for a period of two or one year(s) if an OEP mobilizes 10–49 workers and up to 10 workers, respectively.
Other Relevant Organizations

Apart from the abovementioned players, who have key roles in facilitating overseas migration, protecting workers, and providing services and support, several other organizations help migrant workers access necessary information and navigate the migration process.

The Ministry of Interior and Narcotics Control is responsible for implementing the internal policies, state security, administration of internal affairs involving the state, and assisting the government on territorial affairs of Federally Administered Tribal Areas (FATA), and insular areas of Provincially Administered Tribal Areas (PATA). The Ministry administratively houses the Directorate General of Immigration & Passports and the National Database and Registration Authority (NADRA) dealing with all matters concerning Pakistani citizenship, passports, visas and regulating government databases, managing the sensitive registration database of all the national citizens of Pakistan.

The Migrant Resource Centre (MRC) is a one-stop shop for information, and provides overseas jobseekers with counseling services in various areas, such as overseas employment, rights and protection of migrants, access to education systems in other countries, skills development, and vocational training programs in Pakistan. It is established in two locations—Lahore and Islamabad—with plans of expanding to other provinces as well as districts within Punjab.

Non-governmental organizations (NGOs) are quite a common source of information in other labor-sending countries such as Nepal and Bangladesh. Their engagement in the process of international migration is not prominent in Pakistan, despite many organizations being actively involved in social and domestic labor issues. Similarly, media such as radio and television networks are rarely used to convey important information to migrants, and could potentially be useful avenues for reaching rural populations. Understanding that not every migrant has access to job posts via newspapers or Internet due to geography or literacy levels, an interviewee from OEP stated exploring options to announce vacancies (skills required, destination) and interview details (location, date) over the radio.

Provincial governments also play a role in ensuring that workers make informed decisions regarding overseas job opportunities. For instance, the government of Punjab hosted a Punjab Job Fair 2014, in collaboration with the MOPHRD through BEOE and in collaboration with OEPs. This provided opportunities to create and expand networks between employers and jobseekers. This subnational government also convenes seminars to help jobseekers understand the realities of overseas employment and skills requirement in destinations.

Skills development institutions—including the National Vocational and Technical Training Commission (NAVTTTC), the Technical Education and Vocational Training Authority (TEVTA), training providers, and Trade Testing Centers (TTCs)—not only provide training but also directly link trainees to overseas employers. The NAVTTTC, which develops the policy direction for vocational education, recognizes the need to reform skills development to improve Pakistani workers’ global competitiveness. Under its National Skills Strategy 2009–13, the NAVTTTC commits to (i) develop an information management system that links information on international skills needs with TVET program developers, with a focus on the Middle East labor market, and (ii) establish on-site training in the country of work and other supplementary programs including language courses. At a provincial level, the Punjab Skills Development Fund (PSDF) has commissioned a study to examine skills demand in the Gulf Cooperation Council (GCC) countries and is in partnerships with GCC-based employers as well as Pakistan-based OEPs to facilitate the overseas employment of its funded trainees. Training institutes are also undertaking initiatives to promote skills recognition abroad either by linking with foreign assessors (e.g., guilds in the United Kingdom) that are valued by employers in the GCC or by directly linking with GCC employers.
Chapter 3. The Pakistani Migrant’s Journey

The journey of a migrant may be divided into five broad categories—pre-decision, deployment, pre-departure, in-service (i.e., in overseas employment), and return. At each stage, migrants make a series of decisions and various actors discussed in Chapter 2 come into play. Also, various market failures leave them exposed to diverse types of risks and uncertainties, leading to varied outcomes in their migration experience. This chapter outlines the choice sets they are faced with at each stage of the process, their perceived risks and benefits, as well as potential market failures that influence their motivations and decision making.

Figure 3.7 A Migrant’s Journey

An aspirant migrant weighs the expected costs and benefits associated with migration and compares various alternative options. Migrating is often not just an individual but a household decision. Stark and Bloom (1985) found that households collectively decide to send one or more of their members overseas, especially if they face low income prospects, negative shocks, and inadequate social protection at home. Migration is thus a mechanism to coinsure expected outcomes and hedge risks within households by diversifying the labor portfolio. Beam, McKenzie and Yang (2016) discusses obstacles to migration, which may exist even where the move would be a profitable investment. First, migrating is often associated with the loss of informal support in the community of origin. Second, individuals may not possess required information about the costs and benefits of migration. Third, the costs may be high and prospective migrants may not have easy access to credit.

Correct information about the expected costs and benefits as well as potential risks and uncertainties of the journey is key for aspirant migrants to make informed decisions. However, evidence from around the world shows that aspirant migrants are generally misinformed. For example, McKenzie, Gibson, and Stillman (2013) show that prospective Tongan migrants considering a move to New Zealand underestimate both the chances of getting a job and the earnings they might expect to earn if employed. Shrestha (2017) finds that prospective Nepali labor migrants overestimate their earnings potential abroad. Inadequate or inaccurate information, whether delivered with intentionally or by mistake, may lead to suboptimal levels of migration.

Source: Authors’ compilation.
Note: MRC = Migrant Resource Centre; OEPs = overseas employment promoters.

3.1 Pre-decision

An aspirant migrant weighs the expected costs and benefits associated with migration and compares various alternative options. Migrating is often not just an individual but a household decision. Stark and Bloom (1985) found that households collectively decide to send one or more of their members overseas, especially if they face low income prospects, negative shocks, and inadequate social protection at home. Migration is thus a mechanism to coinsure expected outcomes and hedge risks within households by diversifying the labor portfolio. Beam, McKenzie and Yang (2016) discusses obstacles to migration, which may exist even where the move would be a profitable investment. First, migrating is often associated with the loss of informal support in the community of origin. Second, individuals may not possess required information about the costs and benefits of migration. Third, the costs may be high and prospective migrants may not have easy access to credit.

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Pakistan’s aspirant migrants tend to rely heavily on social networks for information related to overseas employment. According to the Labor and Skills Survey (LSS) 2014, the hope to migrate abroad varies across individuals’ characteristics such as by location of residence and education level (figure 3.2). About 21 percent of the working-age population in urban areas report that they would like to migrate abroad, as opposed to only 8 percent in rural areas. The gap between urban and rural respondents is the largest in Khyber Pakhtunkhwa (KPK), where the share of aspiring migrants is the highest. Compared with other provinces, the presence of aspiring migrants is very small in Sindh, in both urban and rural areas. The intention is strongest among those with social networks abroad, especially those with a friend or relative living abroad. This is consistent with the literature on migration, which suggests that connections abroad lower the information and search costs of migrating, particularly in the presence of burdensome administrative and logistical procedures and imperfect information between employers and workers. The location of migration is also highly correlated to where social networks and informal support system exists.

Individuals with higher levels of education are also more likely to report an intention to migrate than those with low levels. This suggests that the perceived returns to migration may be larger for more educated workers. In addition, individuals with higher levels of education also have better access to migration networks in their social circle: in the LSS sample, 22 percent of individuals with no education have a relative or friend living abroad, as opposed to 42 percent for individuals with upper- or post-secondary education. So when the effect of social networks is controlled for, the association between one’s education levels and intention to migrate becomes weak (figure 3.3). This suggests that social networks abroad mainly explain the correlation between a desire to migrate abroad and educated individuals. When controlling for various observable individual characteristics such as age, marital status, and level of education, location within Pakistan, especially in urban areas in KPK, and the presence of friends and relatives abroad, are strong positive determinants of the intention to migrate.19

**Figure 3.2 Intention to migrate by individual characteristics**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>No education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-secondary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 3.3 Correlates with the intention to migrate**

Source: Labor and Skills Survey for Pakistan (2014).
Note: Correlations were estimated using Probit regressions, with the indicator of intention to migrate as a dependent variable; the omitted reference educational category is no education; and the omitted reference category for province

19 Another specification that also controlled for the household wealth quintile, where wealth was proxied by an asset index, was run, but wealth quintile dummies had no significant impact on the desire to migrate abroad.
Punjab and KPK together account for 92 percent of the flow of out-migrants in 2016, while their share of Pakistan’s total working-age (ages 16–64) population, as estimated in the Labor Force Survey (LFS) 2014-15, is much lower (figure 3.4). In particular, the share of migrants from KPK, at 35 percent, far exceeds the province’s share of the working-age population, at 13 percent. This indicates that more than 5 percent of KPK’s active labor force leaves the province each year to work abroad. Large emigration waves and consequential remittances may have contributed to significant poverty reduction in KPK, which is in contrast to a small number of emigrants in Sindh and the province’s lagging performance in poverty reduction (figure 3.5). This geographic concentration, and a very limited set of destination countries, suggests a reliance on former migrants for connections and information. This also suggests that, to ensure equitable access to migration as an employment generation strategy, the government can focus on enhancing information and networks as well as choices of migration destinations.

Focus group discussions (FGDs) with migrants in Pakistan mentioned various sources from which they acquired information on overseas opportunities and life abroad. These include:

- Social networks both in the country of origin as well as in destination countries
- Overseas employment promoters (OEPs) and subagents
- Newspapers and social media
- Migrant resource centers

Social networks. FGDs revealed that social networks, whether based in the destination country (current migrants) or Pakistan (returnees, families left behind), form the primary source of information. Although social capital can be an immense resource that aspirant migrants can tap into to receive information or assistance, such informal information sharing can mislead migrants’ decisions by being a channel for incorrect and incomplete information.

OEPs and subagents. OEPs and particularly unlicensed intermediaries, many of them subcontracted by OEPs, are also a source of information. These intermediaries, compared with social networks, tend to cover a broader set of information related to the migration process and overseas employment, and may
offer support services in the application process and job matching. In an environment with high search and information costs, however, these intermediaries can monopolize or withhold information in such a way as to support their profit motives and not necessarily the migrants’ best interests. The very reason they exist is because of information asymmetry: both workers and employers have very limited information about each other, thus leaving a space for intermediaries to intervene and engage in rent-seeking behavior. Compared with OEPs, these intermediaries are generally more approachable as they tend to come from the same communities as the aspirant migrants. Migrants reported that trust and familiarity are key factors in selecting these so-called subagents over OEPs. Also, they may have observed improvements in the property or quality of life of those migrant households (due to remittances) who relied on the subagent.

**Job advertisements and social media.** Job advertisements on media, especially newspapers (e.g., Daily Jang, Daily Din, Express, Daily Ausaf), can be a useful source of information for aspirant migrants to learn about job demands. By law, OEPs are required to post all job postings and demands on newspapers, which could potentially inform individual migrants too. However, FGDs with OEPs suggest that more than the migrants themselves, subagents use job advertisements to widen the possible avenues for demand by building connections with a wider net of OEPs to make potential matches.

Social media is also becoming an increasingly important avenue for information, though it has not been the most inclusive mechanism since a substantial portion of migrants, especially in rural areas, have had challenges in accessing the Internet. However, with the expansion of the Internet and mobile phone penetration, social media widens information sources beyond one’s own kin and social networks, as made evident by the proliferation of virtual communities related to international migration. While it was reported during the FGDs that the legitimacy of the posts can often be questionable, growth of social media has opened multiple pathways for job search and served as a forum for the exchange of information beyond vacancies. Although at its nascent stages, Bureau of Emigration & Overseas Employment (BEOE) has also very recently started posting job advertisements online to utilize social media.

**The MRCs** in Lahore and Islamabad have been providing information to potential migrants on all aspects of migration, and have the potential to be a reliable source of accurate knowledge. The MRCs hold information sessions at technical and vocational education and training (TVET) institutions and colleges, and focus on villages in which emigration rates are relatively high.

**Among these various sources, reliance on social networks for information gathering is more prominent in Pakistan than other countries.** More than half of Pakistani labor migrants surveyed by the World Bank’s Global Knowledge Partnership on Migration and Development (KNOMAD) reported having found employment information through relatives or friends, which is higher than other comparator countries except India (figure 3.6). The source of information does not significantly vary by educational attainment. A substantial share of migrants in the sample (38 percent) also used an individual recruiter/broker for information, and a much smaller share connected with recruiters overseas.

**Figure 3.6 Main Sources of Information Used to Find a Job in Foreign Destination, by Country of Origin**
Source: KNOMAD migration cost survey 2015.
3.2 Deployment

Important decisions at this stage are associated with destination, and the type of employment and occupation. These decisions are significantly affected by the mode of deployment, migration costs, and skills of workers, among others.
**Mode of deployment:** The sources of information used at the pre-decision stage often determine the way migrant workers secure and acquire foreign employment. Most Pakistani emigrants either go through OEPs (box 3.2) or directly contact employers. In this process, subagents tend to intermediate between prospective migrants and OEPs (or employers at times) – by providing information on jobs and taking them to a relevant OEP. A small share of migrants utilize the public agency, the Overseas Employment Corporation (OEC). Typically, the period of the visa tied to employment is two to three years. In some cases, OEPs also mobilize workers for short-term work under a short-term mission visa popularly called the “shutdown” visa. Shutdown jobs in the Gulf Cooperation Council (GCC) countries are common when industrial plants need to close for a couple of months each year for maintenance. Holders of the shutdown visa do several types of work related to plant maintenance. The industrial plants using this type of this visa prefer repeat hires of laborers who prove themselves meticulous workers; recruitment costs are usually paid by employers. In addition, some Pakistanis also travel to the Gulf through tourist/visit/pilgrim visas. They travel abroad for interviews or to network with employers while bypassing recruitment agents and subagents. If successful in obtaining employment, they return to Pakistan to get an employer-sponsored visa that allows them to work, while many others also often overstay the visa and work as undocumented workers.

**Box 3.2 Recruitment Process for Overseas Employment Promoters (OEPs)**

1. **Demand letter:** Foreign employers who are interested in hiring Pakistani workers need to get an attested demand letter (attested by the Chamber of Commerce, Ministry of Foreign Affairs [MOFA], or Consulate) and power of attorney. The demand letter specifies the job description, number of jobs required, terms of employment, and qualifications.

2. **Job advertisement:** OEPs secure job demand letters, and go to the protectorate with their license to get a sanction to advertise and manage the process. Upon receiving the permission to advertise, the OEP’s marketing of the job orders in Pakistan begins. OEPs rely on a range of avenues to market their efforts including subcontracted intermediaries, newspapers, databanks, social media, and job websites.

3. **Migrants’ applications and skills testing:** Migrants apply for jobs by contacting the OEPs, through online applications or intermediaries. OEPs collaborate with trade testing centers to facilitate workers’ interviews, usually conducted by employer representatives.

4. **Other paperwork:** Upon passing the test (or if no tests are needed), processing begins; this includes medical tests, visa documentation, photos, and payments.

*Source: Authors’ compilation based on interviews with OEPs.*

**Direct employment is mostly brokered by current migrants who arrange jobs for aspirant migrants with their employers or other networks in the Gulf countries.** Network analyses of migration suggest that aspiring migrants, current migrants, and returnees are linked to one another through social networks, and this facilitates and sustains migration. The literature (e.g., Thieme, 2006) cites several aspects of social ties including obligations, solidarity, and reciprocity as contributors in facilitating network-based migration. Given the high rates of emigration from Pakistan, chain migration has become prevalent, with current migrants facilitating the passage of new migrants with whom they have familial or kinship relations. For example, the International Labour Organization (ILO) (2015) notes that most drivers in Saudi
Arabia come from KPK, and had worked as drivers before migrating given the busy transport industry in the province. Migrants from KPK have established an active recruitment network for this job and thus enjoy a comparative advantage. In some cases, intermediaries or employers abroad may facilitate visas for aspiring migrants recommended by migrant contacts.

Special attention should be given to a category of work arrangement referred to informally as the Azad or “freedom” visa, often arranged by social networks or intermediaries. The attractiveness of the Azad visa is that it is not tied to one employer; instead, the Kafeel (sponsor) provides the visa to a migrant for a certain monthly fee, connected with a broad set of employment options. Thus, the perception of “free” comes into play as the migrant has the freedom to work anywhere the worker pleases. However, in reality, the migrant is still tied to a Kafeel, and if migrants under the Azad visa are caught by authorities working in any employment that is not mentioned in the iqama card (work license) provided by the Kafeel, they are considered illegal and face imprisonment/deportation. The demand for the Azad visa is high in Pakistan, and informal trading associated with the Azad visa significantly raises the associated recruitment costs. In many cases, these visas are “rented” by the month to current migrants or destination-based agents by sponsors—whether companies or individuals—who have an unused quota of them.

Costs of migration: The mode and process of recruitment have implications for migration costs. Indeed, migration costs for Pakistani migrants are highest in comparison with other major migrant-sending countries. The KNOMAD migration cost survey shows that Pakistani workers pay more than US$3,500 on average to migrate to the Gulf countries, of which an average of US$2,500 is covered by loans. Most of these costs are associated with visa fees, at US$2,900 on average. This is far higher than the official cost of a visa to Saudi Arabia or the United Arab Emirates (below US$100). Most migrants are expected to cover these costs themselves; only 3 percent reported receiving funding from their employer to do so (KNOMAD 2015). The government stipulates the official costs that can be charged by OEPs. These depend on whether a migrant is going through an agent or not (PRs 11,800–16,000 and PRs 7,800–12,000, respectively), with the difference of PRs 6,000 being agents’ fees for the services provided.

![Figure 3.7 Average cost of migration and financing method by country of origin](image)

![Figure 3.8 Average cost of migration in months of earnings, by origin and destination](image)

Source: KNOMAD migration cost survey 2015.
Note: UAE = United Arab Emirates; red line refers to one-month earnings in destination.
As discussed above, going through OEPs involves significant costs, however, a direct employment visa is not always cost effective either, contrary to common expectations. Individuals (or even groups) who find foreign employment on their own are required to submit a letter of appointment or contract letter signed by the employer and attested by the Pakistan embassy or consulate in the destination country. For such services, migrants often turn to OEPs again. Also, even if the intermediaries are bypassed in this process, the current migrant who brokers the employment opportunity often receives a commission. It is either for the current migrant himself or to pay the destination based agent facilitating the process (e.g., human resources staff of companies, other brokers involved). The costs of migrating to Saudi Arabia are significantly higher than for the United Arab Emirates—US$4,300 compared with US$2,400—but so are the mean monthly wages (figures 3.9 and 3.10). In both cases, over 80 percent of the total migration costs are visa costs as discussed above. In the presence of credit constraints, such migration costs are likely an important factor in deciding the destination country.

Figure 3.9 Average cost of migration from Pakistan (US$)

[Bar chart showing cost breakdown for Saudi Arabia and Visa Cost, with Saudi Arabia at US$4,300 and Visa Cost at US$1,800.]

Source: KNOMAD migration cost survey 2015.
Note: UAE = United Arab Emirates.

Figure 3.10 Average monthly wage at destination

[Bar chart showing wage breakdown for Saudi Arabia and UAE, with Saudi Arabia at US$510 and UAE at US$396.]

Source: KNOMAD migration cost survey 2015.
Note: UAE = United Arab Emirates.

Many migrants borrow informally or sell assets (livestock, jewelry of mother or wife, and land) as reported during the FGDs. The KNOMAD cost survey also shows that over 85 percent of migrants who borrowed to migrate obtained a loan from their social network, either through a friend or relative. For migrants who took a loan from a money lender or a bank, the median annual interest rate they reported was quite high (35 percent). These large up-front costs likely create substantial barriers to migration, reducing opportunities to migrate for workers from poor households. This significantly limits the options of utilizing overseas employment for poverty reduction.
Skills of migrants: Finally, workers’ skills are an important factor in determining their destinations, type of jobs, and prospects for wages. Skills certificates can help signal worker’s productivity to employers, and thus contribute to improving employment quality and earnings. Data show that relative to labor migrants from India, the Philippines, or Vietnam, those from Pakistan are less likely to hold a skills certificate (figure 3.12). However, holding a skills certificate is indeed positively associated with earnings, more important than age or length of time lived abroad (figure 3.12). Similarly, higher levels of education also increase wages received, although the returns to education tend to be lower than what is observed domestically (figure 3.13). For instance, in the domestic labor market, those who have post-secondary education earn more than twice than those without education, among workers that are wage employees. (Bossavie, Khadka, and Strokovka, 2018). However, in the labor markets of Saudi Arabia and the United Arab Emirates, the earnings premium of those with post-secondary education over those with no education is less than 50 percent. This suggests that the value of education in Pakistan may not be as well recognized or may not be relevant to these overseas labor markets.
Given the importance of skills and skills certificates, training institutions increasingly pay attention to international migration with a focus on both training and post-training placement. However, gaps in training quality remain and must be addressed to ensure positive returns, in employment outcomes, to the large investments made in training. Discussions with OEPs revealed dissatisfaction with current training systems; the skills imparted are often disconnected from what is in demand overseas. Moreover, OEP representatives indicated that training institutes do not manage up-to-date records of their pools of graduates or jobseekers, making it difficult to respond to urgent job order requests for individuals with certain skill sets/training. Similarly, the skills accredited in Pakistan may not be fully recognized abroad, although efforts are being made to address this issue. For example, some TVET providers are linking with foreign assessors such as City and Guilds in the United Kingdom while others are directly linking with GCC employers (Etisalat, United Arab Emirates). Pakistan is also part of a multi-country initiative, the Abu Dhabi Dialogue, that is a collaboration between the governments of the Philippines, India, and Pakistan from the sending side and the governments of Kuwait and the United Arab Emirates on the receiving side. The initiative includes the “Pilot Project on Skill Development, Certification, Upgrading and Recognition.” The pilot program involves two employers in the United Arab Emirates, four training centers in Pakistan (three in Islamabad and one in Punjab), and two assessors, and aims to analyze the effects of skills training programs on the outcomes of workers in the United Arab Emirates including wages, productivity, time in destination, and subjective well-being of construction workers from Pakistan.

Private trade testing centers (TTCs), though at a small scale yet, provide focused, demand-driven, short courses lasting a few weeks that are tailored specifically to foreign jobs. Indeed, given the nature of skills in demand abroad, such a targeted training approach is an attractive option for emigrants. Moreover, TTCs provide space and resources needed for foreign employer representatives to interview and test aspirant migrants. These job interviews are critical to the recruitment process, especially for those migrants who lack the formal credentials they need to signal their skills, which in many cases have been attained informally, through traditional apprenticeship (the ustad-shagird relationship). FGDs with returnees suggested that, in interviews with recruiters arranged by TTCs, aspiring migrants are able to demonstrate skills in occupations such as carpentry and plumbing for which they have no formal
certificates. The FGDs also suggested that TTCs are proactively expanding their connections with recruitment agencies in rural areas.

### 3.3 Pre-departure

Upon completion of required paperwork and prior to departure, a migrant is generally expected to go through a mandatory pre-departure training (Section 15 of the Emigration Ordinance, 1979). While global evidence on the effectiveness of pre-departure training is weak (McKenzie, 2015), it can serve to advance a migrant’s familiarity with labor and immigration laws and rights. This is key knowledge needed to reduce the risks of abuse and contractual violations, and raise awareness of the support available. Also, as labor demand in GCC countries shifts toward more service-oriented jobs, language and soft skills, as well as cultural awareness, merit increased attention as part of pre-departure training. For example, Dubai started a new policy since 2016 that requires taxi drivers—a popular occupation for Pakistani migrants, especially those from KPK—to pass a psychometric and English language test. It is important for the migration system to respond to this evolving landscape.

The mandatory training, however, is not as useful to migrant workers as it could be (see box 3.3 for an overview of migrants’ language skill needs). Its contents are not standardized. Also, interviews suggest that it is not universally enforced. This is in part due to protectorates’ lack of capacity (there are only seven protectorates throughout the country, whereas approximately 900,000 migrants left for overseas work in 2016). Given that protectorates are centralized and a high share of migrant workers come from rural areas, financial and time constraints associated with taking the training can also be a disincentive for migrants to take the training. Amid the limitations of the mandatory pre-departure training, OEPs and even unlicensed intermediaries provide basic orientation to migrants on information regarding life abroad (rules, employment, resources available in times of difficulty, culture, finances). However, the contents, curriculum, and quality of orientation varies.20 For instance, some OEPs extend their training to include English language or soft skills training, while others barely deliver basic and generic information without considering the specific contexts of migrants’ destinations.

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20 ILO (2016) lists various topics discussed in mandatory predeparture training sessions, including information on wages, compensation, and other contractual arrangements; insurance coverage or compensation in case of accidents; health risks; rules, culture, and norms of the host country; and consequences of illegal activities.
Box 3.3 Language Skills among Aspiring Migrants

Among aspiring migrants who would like to migrate to Saudi Arabia or the United Arab Emirates, less than 5 percent reported having some understanding of Arabic according to the Labor and Skills Survey 2014. That the majority of potential migrants are unable to speak or understand Arabic could expose them to significant risks. Despite this, none of the Pakistanis interviewed in the Global Knowledge Partnership on Migration and Development (KNOMAD) migration cost survey reported taking any language class prior to departure to Saudi Arabia or the United Arab Emirates. Meanwhile, individuals who intend to migrate to English-speaking countries are more likely to have some understanding of English (63 percent) compared with those who do not intend to migrate (21 percent). This reflects the fact that English is a mandatory subject taught in Pakistani schools whereas Arabic is an optional subject. Also, individuals who intend to migrate to English-speaking countries are on average more skilled than those who intend to migrate to the Gulf, particularly to Saudi Arabia.

**Figure 3.3.1 Language Skills among Aspiring Migrants**

Source: Labor and Skills Survey for Pakistan 2014.
Note: KSA = Kingdom of Saudi Arabia; UAE = United Arab Emirates; USA = United States of America; UK = United Kingdom.

3.4 In Service (Overseas Employment)

Issues related to worker protection against various risks, and the facilitation of low-fee remittances, are priorities on the policy agenda during this stage. A migrant can face several challenges while in service at the destination country, such as abuse, contract substitution, nonpayment or delays in payment of wages, and violations of contractual terms of contract, including the assignment of tasks that are different from what was originally stipulated. With respect to remittances, workers often opt to use informal, cheaper, insecure channels as opposed to more expensive, but more secure, formal options. Measures to facilitate the sending of remittances safely and efficiently while helping families on the receiving side utilize the resources in a productive way, could significantly contribute to maximizing the benefits of international migration.

Risks and Worker Protection

**Working hours:** A large share of labor migrants from Pakistan are employed in physically demanding, low-skilled jobs irrespective of their level of education. As discussed above, the largest share are laborers, followed by drivers. Many work almost 70 hours a week, with working hours varying by sector, from 67 hours in construction to 77 hours in agriculture (figure 3.14). This is much higher than the average number
of weekly hours, about 50, worked by male employees back in Pakistan (according to the Labor Force Survey; see Bossavie, Khadka, and Strokova 2018)

Figure 3.14 Average Number of Hours Worked by Migrant Workers per Week, by Sector

Source: KNOMAD migration cost survey 2015.

Wages: It is common for sending countries to prescribe a minimum wage for their workers in bilateral agreements or contractual arrangements. For example, India specifies such wages, by occupation, and these numbers were recently updated, in 2016 and 2017; the Philippines also stipulates a minimum wage. In the case of Pakistan, wages are expected to be “reasonable,” without more explicit guidance on what reasonable entails. Wages are evaluated by protectorates before they approve job advertisements and foreign service agreements. But anecdotal evidence suggests that contract substitution is common. Upon arrival at the destination country, Pakistani labor migrants may be required to sign a new contract with less favorable terms of employment than what was agreed prior to departure. It is likely that migrant workers sign these contracts with worse terms than they expected, with fear of losing the job and being deported without a chance to recover recruitment costs incurred. Such practices can further lower the wages of workers.

Work-related injury or illness: According to the KNOMAD migration cost survey, close to half of Pakistani migrants to the United Arab Emirates and Saudi Arabia reported a work-related injury or illness during their stay. Among these migrants, only one-fourth received payment for the days they had been ill or injured. Workers’ compensation or injury insurance is mostly under the discretion of the foreign-based employer as per the rules of the destination country. Only severe conditions such as death and disability are insured under a compulsory group insurance contracted with the State Life Insurance Corporation of Pakistan. Between 2008 and 2016, over 4,000 migrants from Pakistan died abroad and PRs 3,217 million was paid in death claims to the families left behind (BEOE 2016). Similarly, in the same period, PRs 195.52 million was paid for 606 disability claims under the Welfare Fund. There remain pending cases owing to missing documents (such as death certificates) or bank account information. As noted earlier, the OPF does provide financial aid in such incidences, but it reports that there are far more pending cases than settled ones (only one-fifth of cases were settled during 2015–17) (OPF 2017).

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21 A labor contract signed by a prospective migrant and his employer (or an OEP on behalf of the employer) that sets out terms and conditions of the foreign employment, including salary and benefits.

22 According to the BEOE, as of April 2018, pending death and disability claims are PRs 108.6 million and PRs 9.5 million, respectively.
Workers’ rights: Furthermore, workers’ rights at the destination country are severely limited, with the bargaining power disproportionately on the employer’s side. For instance, more than 80 percent of Pakistani workers reported that their travel documents were withheld by their employers (KNOMAD, 2015), a significant violation of workers’ rights.

While the importance of worker protection is well recognized, measures to protect workers are often difficult to implement unilaterally from the sending side, especially when migrants are in the jurisdiction of the receiving country. Key players at destination that are providing worker protection services include embassies and labor attachés (formal) and diaspora networks (informal). For instance, in cases of rights violations, migrants can lodge a complaint against an employer with an embassy or community welfare attaché (CWA); the CWA then responds by persuading the employer to abide by the Foreign Service Agreement (FSA) and if that fails, the matter is taken to local authorities/labor courts to redress the grievances of the emigrant. However, returnee migrants reported during FGDs that many workers view embassies/attachés merely as a resource for administrative support such as renewing passports rather than a reliable source for worker protection.

Worker protection is especially at risk for holders of the Azad visa, as they face particularly low bargaining power vis-à-vis their sponsor (Kafeel) from the very onset. For example, a monthly fee that a migrant is expected to pay is completely at the discretion of the sponsor and varies. Failure to pay leads to cancellation of the contract, resulting in the worker becoming undocumented. While the attraction of the Azad visa is the ability to work on multiple part-time jobs, the availability of jobs and corresponding wages depend on market conditions. Furthermore, the costs of living, including rent, food, and health care have to be borne entirely on the migrant, exposing them to complex risks. To protect workers from the delay or non-payment of wages, some modest policy innovations have been introduced. For instance, the Wage Protection System (Jureidini 2014), which is being implemented in all GCC countries (except Bahrain) mandates wage payments by bank transfer to provide an official record that can be monitored, with penalties for non-compliance. Other examples include permission to change employers (e.g., in the United Arab Emirates), and the Flexi-Permit program in Bahrain, which allows workers to sponsor themselves and work with more than one employer (ILO 2017). Such changes can positively impact migrant welfare. For example, a 2011 rule that allowed workers to legally switch jobs without permission from the employer in the UAE, for example, led to increased earnings among incumbent migrants (Naidu, 2011). Information on these options and programs could be further disseminated through pre-departure training and other avenues of information sharing.

Remittances

Most Pakistani workers send remittances to family members left behind, and the share of remittances out of total earnings is on average around 50 percent (figure 3.15). The share of remittances out of earnings varies little by earnings levels at destination, as well as between workers in Saudi Arabia and in the United Arab Emirates. Given that most migrant workers need to utilize financial services for remittances, improving the modes of remitting could significantly affect the well-being of both workers and their families.

Figure 3.15 Earnings in US$ and Share of Earnings Remitted
There is a strong positive association between remittances from abroad and household consumption. More than 1 in 10 households in Pakistan’s top consumption quintile receives overseas remittances, a dramatic difference from the bottom quintile, where only 2 in 100 households receive remittances (figure 3.16). Similarly, 22 percent of households that do not receive remittances are in the bottom quintile nationwide, versus 6 percent of those who do receive them. (The share of households in the bottom quintile that receive remittances from inside Pakistan is significantly higher, at 16 percent.) This suggests that the remittances are significantly contributing to household consumption, although migrants could have been from better-off households from the beginning, given the high up-front migration costs.

Figure 3.16 Share of households receiving remittances from abroad, by consumption quintile

Figure 3.17 Share of households living in poverty (bottom 20 percent of per capita consumption distribution), by remittance status

Source: KNOMAD migration cost survey 2015.


Formal modes of remitting commonly used include commercial banks, remittance companies (e.g., Money Gram and Western Union), branchless banking, and post offices in collaboration with banks or remittance companies. Together, they offer several means of transferring money, including via postal money orders, wire transfers, and bank accounts. The advantage of this formal system is that it is secure and provides timely transaction of remittances. The disadvantages are relatively high service fees and a limited presence in rural areas. Obstacles faced by migrant families who might otherwise send and receive remittances through formal channels include limited financial inclusion and lack of financial literacy.

Informal alternatives for remitting money include personal delivery and money changers (Hundi or Hawala). While hand-carried remittances may be reliable and free of service fees if the migrant themselves carry the money or send it through a trusted network, transactions are irregular and infrequent. The appealing factors associated with the Hundi and Hawala systems are that they allow quick and frequent transactions (unlike personal delivery) and involve a simple process (unlike formal channels). Hundi and Hawala do not involve cash flows between countries at the time of money transfer and simply transmit payment instructions. The networks of Hundi and Hawala agents present in both sending and receiving end settle the transaction at an agreed exchange rate. These systems charge commissions, albeit lower than those of formal mechanisms.

The government strives to promote the use of formal channels to ensure that remittances are delivered securely and efficiently. Some recent efforts include:

- Improving the policy and regulatory environment to promote competition among financial institutions and remittance companies;
- Reimbursing service fees and commissions for private remittances of more than US$200;
- Maintaining the non-taxable status of remitted proceeds;
- Improving remittance services at post offices;
- Developing a robust and reliable ATM network; and
- Promoting the role of microfinance banks and telecommunications operators to facilitate remittances through branchless banking.

The State Bank of Pakistan (SBP), the Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD), and the Ministry of Finance (MOF) also launched the Pakistan Remittance Initiative (PRI) to enhance the flow of remittances. The initiative was launched to facilitate the faster, cheaper, more convenient, and more efficient flow of remittances; and to create investment opportunities in Pakistan for overseas Pakistanis. The PRI encouraged banks in Pakistan to enhance their outreach by entering into bilateral arrangements with overseas financial institutions (as a result of which 600 bilateral agreements were negotiated) [Pakistan Remittance Initiative, 2015], and through utilization of card technology for remittances and development of innovative remittance products including special non-resident Pakistani (NRP) accounts, Pardes Cards (a generic name for all PRI branded cards for beneficiaries issued by all participating banks), and Internet-based remittances, among others. The Overseas Pakistanis Foundation (OPF) also has a special package called the Foreign Exchange Remittance Card (FERC) introduced by the MOF in 2001 to provide incentives for migrants to remit using formal channels. For example, duty credit is provided for those who are remitting over US$2,500 annually. Between July 2016 and through June 2017, 12,000 FERC cards were issued (OPF 2017).

Despite the government’s considerable efforts, it is estimated that total remittances could be as high as 180 percent of official recorded remittances (Amjad et al. (2012)). This indicates that migrants use formal channels only a fraction of the time. For further information, see IMF 2008.
informal systems except for significantly large amounts. While some countries such as the Philippines curbed the activities of informal money changers by enforcing strict regulations through the Anti-Money Laundering Act and requiring users to present identification cards, Pakistan has not shifted away from informal remittance systems despite its strict money exchange registration regulations. The high volume of informal remittances appears to be driven by factors such as familiarity, habit, culture, convenience, relative cost, and resistance to documentation.

3.5 Return

Migration to GCC countries is typically governed by contracts of two to three years, and return migration features as an important step in the migration process. Migrants come back to Pakistan either voluntarily (upon completion of contract) or involuntarily (deportation, layoff), and return temporarily (before remigrating) or permanently. Among the sample of Pakistani labor migrants in the KNOMAD survey, about 15 percent had previously worked abroad and remigrated, suggesting that circular migration is not uncommon. Similarly, during FGDs, some migrants reported working with the same employer abroad for many years by renewing the contract multiple times. As temporary migrants are not eligible to apply for citizenship in GCC countries, migrants eventually return but the duration abroad varies. Migrants who have paid higher costs to migrate tend to stay longer in destination countries to recoup the costs. Also, the duration of stay is longer for those who make greater earnings (figure 3.18).

Figure 3.18 Association between Duration of Stay (in months) and Cost of Migration (left) and Monthly Earnings at Destination (right) among Pakistani Migrants

Source: KNOMAD migration cost survey 2015.

The reintegration of return migrants into the local labor market is considered an important policy priority. There is generally a positive selection for migration, with those who have migrated and returned (former migrants) being more likely to be educated and to have received training, compared to those who have never migrated (non-migrants) (table 3.1). As discussed above, migrants from KPK (compared with other provinces) and rural areas (compared to urban) are overrepresented in the composition of those who have migrated and returned.

Table 3.1 Characteristics of Former Migrants Relative to Non-migrants, Males, Ages 15–64

<table>
<thead>
<tr>
<th></th>
<th>Those Who Have Never Migrated (Non-migrants)</th>
<th>Those Who Have Migrated and Returned (Former Migrants)</th>
<th>Difference</th>
</tr>
</thead>
</table>

Source: KNOMAD migration cost survey 2015.
Employment outcomes show that, compared to non-migrants, former migrants are significantly more likely to be self-employed, but less likely to be in informal wage employment (figure 3.19a). This is consistent with the findings in other countries (e.g., Bossavie and Denisova [2018] for Nepal; Farole and Cho [2018] for Bangladesh). One likely reason for this increase in the probability of self-employment upon return from overseas employment is due to accumulation of savings and capital that allows returning migrants to start entrepreneurial activities (see Mesnard 2004; Dustmann and Kirchkamp 2002; McCormick and Wahba 2001). Dustmann and Kirchkamp (2002) emphasize that savings may be put into productive use and that entrepreneurial activities of returning migrants may contribute to wealth generation, and create jobs in economies where capital constraints are major bottlenecks for starting an enterprise.

Figure 3.19 Employment Outcomes of Workers in Pakistan, by Prior Migration Status

A. Employment Type

<table>
<thead>
<tr>
<th>Married</th>
<th>0.73</th>
<th>0.92</th>
<th>0.19***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>34.7</td>
<td>37.9</td>
<td>3.17***</td>
</tr>
<tr>
<td>Share that received skills training</td>
<td>0.19</td>
<td>0.42</td>
<td>0.23***</td>
</tr>
<tr>
<td>Years of education</td>
<td>6.3</td>
<td>7.9</td>
<td>1.6***</td>
</tr>
<tr>
<td>Share with no education</td>
<td>0.36</td>
<td>0.23</td>
<td>-0.13***</td>
</tr>
<tr>
<td>Share with primary education</td>
<td>0.18</td>
<td>0.18</td>
<td>0.01</td>
</tr>
<tr>
<td>Share with lower secondary education</td>
<td>0.15</td>
<td>0.20</td>
<td>0.05**</td>
</tr>
<tr>
<td>Share with upper secondary education</td>
<td>0.23</td>
<td>0.32</td>
<td>0.10***</td>
</tr>
<tr>
<td>Share with post-secondary education</td>
<td>0.09</td>
<td>0.07</td>
<td>-0.02</td>
</tr>
<tr>
<td>Punjab</td>
<td>0.56</td>
<td>0.44</td>
<td>-0.12***</td>
</tr>
<tr>
<td>Sindh</td>
<td>0.27</td>
<td>0.01</td>
<td>-0.26***</td>
</tr>
<tr>
<td>Khyber Pakhtunkhwa</td>
<td>0.11</td>
<td>0.55</td>
<td>0.44***</td>
</tr>
<tr>
<td>Baluchistan</td>
<td>0.06</td>
<td>0.01</td>
<td>-0.05***</td>
</tr>
<tr>
<td>Rural</td>
<td>0.63</td>
<td>0.82</td>
<td>0.19***</td>
</tr>
</tbody>
</table>

Note: Females have been excluded from the sample due to the very low number of female returning migrants.
***statistically significant at the 1 percent level
**statistically significant at the 5 percent level
No stars indicates that the reported difference is statistically insignificant.
Former migrants are also significantly more likely to be unemployed (figure 3.19b). Migrants who had returned within a year before the survey had a particularly high unemployment rate of close to 30 percent. Even after two years, former migrants faced higher unemployment rates (16 percent) as compared to non-migrants (2 percent). The difference in unemployment rates was far greater in urban than in rural areas, and also remains highly significant after controlling for workers’ observable characteristics such as experience or education. The fact that former migrants are exposed to a high unemployment rate highlights the potential role of reintegration policies. Policies for return migration have been increasingly important in Pakistan given the significant increase in the volume of return migrants recently.

When designing and implementing reintegration programs for migrants who have returned, policy makers should consider whether the migration was voluntary or forced. Forced returnees have prematurely returned after facing deportation due to several reasons associated with the individuals themselves (overstay, working for a different employer than what was legally allowed, lack of proper documentation, dismissal) or with the environment (company bankruptcy, mass layoffs, macroeconomic shocks, political reasons). Return migration, in such cases, is no longer a planned decision and may require supplementary assistance in addition to labor market reintegration (e.g., humanitarian assistance, legal or psychosocial support). Pakistan experienced high volumes of return migration from Saudi Arabia in 2016 during the oil crisis, and up to half a million migrants are reported to have been deported in the past five years (Ghauri 2017). While the OPF has provided support for internal transportation from airports in districts receiving returnees during en masse return migration (e.g., mass layoffs from Saudi Arabia or due to the Yemen crisis), assistance beyond this has been quite limited.

Box 3.4 summarizes the key challenges that policy makers would do well to prioritize, by the phase of the migration process where they are most likely to be encountered.

Box 3.4 Challenges and Risks at Each Stage of the Migrant’s Journey

A. Pre-decision
- Limited outreach through local nongovernmental organizations (NGOs), media, or resource centers to disseminate accurate information
- Heavy reliance on overseas employment promoters (OEPs) and their subcontracted agents, as well as informal social networks for information associated with migration and its process

B. Deployment
- Insufficient or incorrect information about the different types of job opportunities and visas
- High recruitment costs, but limited financial products to help the poor finance recruitment costs, which leads to reliance on money lenders and thus indebtedness
- Weak linkages between skills and types of occupations in receiving countries

C. Pre-departure
- Limited capacity of the protectorate to provide the mandatory pre-departure orientation and training
- Inadequate or lack of pre-departure training for migrants
- No systematic management of supplemental services such as medical checkups and travel insurance

D. In service (Overseas employment)
- Limited worker protection under local labor regulations, insurance, and services
- Limited capacity for embassies/attaches to provide support; most worker support provided by informal social networks
- Significant asymmetric bargaining power between employers (or visa sponsors) and workers
- Risks of unexpected and unplanned deportation

E. Return
- Underutilization of human and financial resources accumulated through migration
- Challenges in economic and social reintegration

Source: Authors’ compilation.
Chapter 4. Policy Discussions

The preceding chapter highlights the challenges and risks faced by a migrant from Pakistan, and identifies policy priorities at each stage of the process. Similar to other public initiatives for addressing market failures, international migration merits interventions at multiple levels. This chapter discusses areas of policy intervention, focusing on three aspects: governance and guiding principles, programs, and administration.

4.1 Governance

The broad governance structures for overseas employment are relatively well established: policy and strategy establishment led by the Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD), implementation of regulations and support programs under the Bureau of Emigration & Overseas Employment (BEOE), and delivery of services through various actors. However, the systems are guided by outdated policy and marred by daunting capacity and coordination challenges. A comparative assessment of the governance of the migration system to some better functioning one of the Philippines identifies important priority areas for improvement (Table 4.1).

<table>
<thead>
<tr>
<th>Table 4.1 Governance of the migration system: Pakistan vs. Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
</tr>
<tr>
<td>Legal framework</td>
</tr>
<tr>
<td>Institutional framework</td>
</tr>
<tr>
<td>Bilateral agreements</td>
</tr>
<tr>
<td><strong>Deployment</strong></td>
</tr>
<tr>
<td>Support with receiving country requirement</td>
</tr>
<tr>
<td>Informal/unlicensed brokers</td>
</tr>
<tr>
<td>Regulations of recruitment agencies</td>
</tr>
<tr>
<td><strong>In service (overseas employment)</strong></td>
</tr>
<tr>
<td>Influence to employment terms</td>
</tr>
<tr>
<td>Destination market/sector/occupation concentration</td>
</tr>
<tr>
<td>Contracts substitution</td>
</tr>
<tr>
<td>Standard predeparture orientation</td>
</tr>
<tr>
<td>Postdeparture orientation</td>
</tr>
<tr>
<td>Reliance on informal remittances channels</td>
</tr>
<tr>
<td>Weak migrant welfare funds</td>
</tr>
<tr>
<td>Social protection for migrant workers</td>
</tr>
<tr>
<td>Assistance abroad limited by staff/resources</td>
</tr>
<tr>
<td><strong>Return</strong></td>
</tr>
<tr>
<td>Return policy</td>
</tr>
<tr>
<td>Diaspora policy</td>
</tr>
<tr>
<td>Reintegration policy</td>
</tr>
<tr>
<td><strong>Overall coordination</strong></td>
</tr>
</tbody>
</table>
The Government of Pakistan has yet to develop a coherent policy and strategy to facilitate overseas employment. Beyond the Emigration Ordinance and Rules, the government currently does not have a migration policy and regulations governing the overseas migration system in Pakistan. The migration policy is currently being prepared and will need to meet the objective of balancing the promotion of emigration along with protection of migrant workers. It should clearly lay out the roles of public and private sector players as well as key areas of policy intervention along the migration process. Lessons learned from global best practices in various labor-sending countries (e.g., the Philippines, Sri Lanka) can be incorporated.

As the main implementing authority of the government’s migration policy, there is a need for the BEOE’s functions to be re-established and for its capacity to be strengthened with appropriate financial and administrative autonomy. The BEOE’s three key functions in particular require significant capacity strengthening. First, the BEOE can play a greater role in facilitating overseas employment by diversifying destination countries. For this purpose, the BEOE can explore options to expand and strengthen bilateral labor arrangements (BLAs), given that countries open borders for labor through bilateral agreements rather than a unilateral or multilateral approach. BLAs vary widely in the extent to which the agreements are binding, actors from either sides are involved in the migration process (especially recruitment and job intermediation), worker protection measures and employment conditions are embedded, and labor mobility in certain types of sectors and occupations are promoted. While many countries implement various forms of BLAs led by the government, in Pakistan, with the exception of the government-to-government (G2G) agreement on the Republic of Korea’s Employment Permit System (EPS), most BLAs involve private sector actors (e.g., training institutions and employers’ association) in addition to governments. To facilitate safe migration at scale, there is room for the BEOE to develop overseas labor markets and actively explore options to expand BLAs with more receiving countries.

Second, as a regulator of recruiters such as overseas employment promoters (OEPs), the BEOE will need to update rules for the management, governance, and oversight of a sprawling and vast subagent network of recruiters. Most importantly, given the active role played by intermediaries in international migration, the legal and licensing framework needs to recognize the operation of unlicensed agents, who mostly act on behalf of the OEPs. Being silent on this leads to a situation where there is no mechanism to rescue prospective migrants who, without their knowledge, are subject to fraudulent/irregular recruitment by these agents. In addition, the BEOE needs to devise a market mechanism to control the mushrooming recruitment industry. Recruitment fees paid by workers or in the form of salary deductions should be regulated, and poorly performing and non-competitive agencies should exit the market. Furthermore, it should introduce a feedback mechanism to better monitor performance of the OEPs—such as collecting information on recruitment experiences from Pakistanis during their overseas employment via community welfare attachés (CWAs) or labor attachés.

Third, the BEOE should develop more effective mechanisms for coordination with other key players including provincial governments. Since the devolution, provincial governments have tended to take more proactive roles in international migration by focusing on skills development. Provincial governments’ investments in formal and non-formal skills training can be leveraged to develop optimal

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24 The government-to-government (G2G) arrangement is a special form of BLA that involves only governments without private sector intermediaries, whereas hybrid BLAs involve private sector players and are led by governments of both sides. The Government of Bangladesh, for instance, has a G2G agreement with the Republic of Korea but hybrid BLAs with Saudi Arabia and Malaysia, realizing the comparative advantage of private players in their reach and ability to mobilize a high volume of workers.
pathways for training potential migrants and connecting them to resources for seeking overseas jobs. In addition to training, the BEOE can also facilitate the work of provincial governments by playing an active role in information dissemination at both the pre-decision and pre-departure stages. Improvement of performance by introducing a one-stop-shop model at the protectorate offices, in collaboration with provincial governments, to ensure emigrants are provided the services envisaged under the Emigration Ordinance 1979 and Emigration Rules 1979 (and updated 2012) will reduce costs for the government and migrants, and increase efficiency.

4.2 Areas of Program Intervention

To reduce and mitigate the risks and vulnerabilities identified throughout the migrant’s journey, various programs can be introduced (figure 4.1).

**Figure 4.1 Risks at Each Stage of the Migrant’s Journey**

Source: Author’s compilation  
Note: NGO = non-governmental organization; OEPs = overseas employment promoters.

**Pre-decision**

Programs to actively disseminate information at local levels would enable workers to make informed decisions on migration. Information packages should cover the benefits and risks of migration, the
migration process, and measures to mitigate various risks during the process. It should be occupation and destination specific to the extent possible. The implementation of such programs needs to be in partnership with provincial/local governments, communities, and civil society organizations (CSOs). A large non-governmental organization (NGO) in Bangladesh, BRAC, or Nepal’s Safer Migration (SAMI) project, for instance, actively disseminate information at local level. The pedagogy or mode of information sharing includes short video clips, movies, or theatre performances to improve awareness on international migration at the village level.

Technology and social media can significantly harness the information campaign efforts—for instance, by creating a virtual platform for aspirant migrants and migrants/returnees to obtain information and interact with one another. In Nepal, mobile apps have been developed to disseminate information regarding labor rights, the migration process, working conditions, and migrant experiences. In the same vein, outreach through the media appears to be effective. In the Philippines, the Overseas Workers Welfare Administration produces training videos based on the countries of destination in which returned overseas Filipino workers (OFWs) share their experiences. Brazilian migrants in the Netherlands reported that they found soap operas and other TV programs important in establishing people’s ideas about potential destinations (Dekker and Engberson 2012). Pakistan can use an existing media infrastructure to convey social messages—during Hajj, for example, the media is extensively used to promote safe travel tips for pilgrims and is considered a successful outreach model because of its wide reach.

Deployment

Practical regulations related to recruitment, visa types, and fees, should be introduced and better enforced. The government can create a job portal site and help recruitment companies publish job orders and utilize job portals’ services (such as the European Job Mobility Portal). The job portal can provide basic screening services for workers so that job orders are indeed actual ones, and not bundled with future orders. By utilizing Pakistan’s unique identification system with biometric authentication, which is hosted by the National Database and Registration Authority (NADRA), workers’ visas can be matched with those specified in the employment contract. Information about the types of visas and potential risks associated with the Azad visa can also be provided at an early stage. For example, in select districts in Nepal, when aspirant migrants visit government offices to make their passports, they are required to sit through a counseling session that covers the key documents required and issues faced during migration.

With respect to migration costs, multiple measures can be used to lower them. Sustainable Development Goal indicator 10.7.1 calls for a reduction in the “recruitment cost borne by employee as a proportion of yearly income earned in country of destination.” While the threshold is yet to be established, a generally accepted level is to reduce it to one month of income in destination countries based on global good practices. Given that recruitment agencies’ fees drive up costs, simply imposing a ceiling on recruitment fees (currently set at PRs 6,000) is not a solution to reduce out-of-pocket migration costs; measures beyond the ceiling and stricter enforcement is needed. The government can require recruitment agencies to publish their fees and costs by disaggregated items, e.g., recruitment facilitation,

25 While anecdotal, for instance, Sri Lanka’s information campaign on migration at the village level help lift the social stigma associated with female migration (Siddiqui, Rashid, and Zeitlyn 2008), which could aid the reintegration process of female returnees.

26 A movie called Shapno Dekhi Bidesh Jabo (Towards a Dream) is used to promote international migration through legitimate channels, and BRAC provides services ranging from counseling, documentation support, to financing through loans.
travel costs, medical checkups and insurance, workers’ welfare funds, visa fees, and so on. The published, disaggregated costs should be regularly updated by destination markets.

**Coupled with the recruitment-licensing system, the government needs to regularly evaluate the performance of recruitment agencies and publish results online and through the media.** The evaluation can also incorporate service fees charged and feedback from migrants, and can include CSOs. Sri Lanka developed a rating mechanism to regulate recruiting agencies (Baruah, 2016), and in Indonesia, an ongoing initiative is providing female migrants with information and ratings of the quality of placement agencies and examining the impact of such information on agencies on migrants’ welfare (Bazzi et al., 2018). In evaluating the recruitment agencies’ performance, not only migrants’ experiences but also a mechanism to incorporate feedback from the receiving side (such as information on the total processing time from the publication of the job order to the arrival of the migrant workers; percentage of orders processed within certain service standards) should be established.

**In addition to efforts to reduce recruitment costs, the government can help migrant workers finance migration costs with pre-departure loans at an accessible rate.** Various labor-sending countries have in place schemes to help migrants finance their migration costs. For example, Bangladesh’s state-owned Probashi Kallyan Bank provides low-interest loans to migrants going abroad. Potential programs can be developed for economic inclusion of some beneficiaries living in poverty through training and international placement services in line with social assistance.

Despite the concern of brain drain, enhancing skills of potential migrant workers and deploying workers for higher productivity occupations is critical. Outflows of skilled workers can lead to higher remittances, which can further spur human capital accumulation and provide improved incentives to skill formation in the home country (Lucas, 2004). Furthermore, return of skilled migrants can facilitate exchange of know-hows and skills between the origin and destination countries (Alvarez and Barney, 2014). A more systematic approach to identifying the skills needs in receiving markets, equipping workers with the skills in demand, and placing them in the receiving countries, is necessary. There is room for active public-private partnerships to facilitate this by focusing on the following objectives:

- **Increase opportunities for youth to acquire on-the-job training in firms in destination countries through concluding a mobility partnership agreement with an advanced economy facing labor shortages.** For instance, Morocco has implemented a pilot initiative to connect Moroccan youth to German employers, by participating in an apprenticeship program in Germany that features on-the-job training in hotels and restaurants.27

- **Leverage foreign firms present in the country to increase opportunities for on-the-job training and learning-by-doing.** Evidence suggests that multinational companies provide more training for low-skilled workers than local firms (Moran, 2011).

- **Focus on select sectors of great employment potential, and develop specialized skills.** Egypt has partnered with Italy to harmonize the quality of training in hospitality with international standards in conjunction with establishing a database for international job matching that can be used by European employers (Egypt’s Advanced Technical School for Hotel Management and Tourism Services partnered with an Italian Tourism School).

- **Cooperate with development partners and agencies for skills development as well as job placement.** Bangladesh’s Bureau of Manpower and Empowerment (BMET)—in collaboration with

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the Korea International Cooperation Agency (KOICA), which established trade testing centers (TTCs) in different parts of Bangladesh as part of Korea’s official development assistance—trains potential migrant workers in international standards so as to enable them to access international jobs (including jobs in Korea).

- **Ensure the linkage between training and recruitment activities** (e.g., by promoting dual licenses and roles as training institutions and OEPs), so as to ascertain that training provided is in line with market demand and trainees get employment opportunities. There is a limited understanding on the mechanisms and functions of how training institutions including TTCs operate as OEPs, and more research is warranted to strengthen the skills and job placement linkages.

**Pre-departure**

**Both availability and quality of pre-departure training should be strengthened for it to be a meaningful step for migrants.** One of the major constraints to pre-departure training is the lack of capacity of protectorates, as discussed above, with 7 offices serving 900,000 migrants going abroad. It is beyond their capacity to provide training to all emigrating workers. It is therefore important to bring more players into the provision of pre-departure training unless there is a significant increase in the number of protectorates in the country. Moreover, there is a need to improve the quality and relevance of pre-departure training. It has to be tailored by occupation and by destination among others\(^{28}\) as opposed to the generic format that currently exists. Learning from reviews of various pre-departure trainings undertaken by labor-sending countries, training can be strengthened through the following measures:

- **Content:** The government should develop a curriculum in collaboration with receiving governments and firms as well as CSOs, the diaspora, and returnees, and harmonize the content by occupation and destination.

- **Provider:** CSOs, recruitment agencies, training institutions, or other entities can be licensed to deliver mandatory pre-departure training, depending on occupation and destination.

- **Pedagogy:** Practices suggest that interactive means of instruction (such as role playing, video clips, on-site interviews of returnees) are most effective, given that classroom teaching may not be effective for many low-skilled migrant workers.

- **Certification:** The current issuance of certificates can be replaced with a computer-based exam that prospective migrant workers can take at their convenience.

- **Monitoring and evaluation:** Workers who undergo pre-departure training should be able to evaluate its usefulness, and their feedback can be used to inform improvements.

**In addition, the timing of the pre-departure training can be more flexible and workers should be able to access it at an earlier stage of the migration process.** Most pre-departure briefings are offered at a stage of migration when most decisions have been made and when the focus of a migrant is on reaching the destination. Owing to time constraints, migrants may in fact not have time to take the course, or may not have opportunities to provide feedback or follow up on further queries.

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\(^{28}\) For instance, Sri Lanka mandates a 12-day training course for prospective migrants who are bound for domestic help jobs in the Middle East region, as opposed to 21 days for those leaving for such jobs in non–Middle East destinations.
In Service

Worker Protection and Promotion

Given that returnees report insufficient support during their stays abroad, embassy and labor attachés in destination countries can take a few initiatives to improve their support for migrant workers. These include: periodic gathering of migrants near job sites, setting up a migrants’ database (with the profile and information of migrants) and regular checkups; and active dissemination of information on the migrant workers’ rights and the available helplines. These can be undertaken in collaboration with CSOs in the country.

Continued information sharing and contact with migrant workers are key to providing them effective support during this stage. Research has shown that information interventions targeted to current migrants in the destination is a powerful tool to improve their work/living conditions. In Singapore, for instance, foreign domestic helpers who received more legal information about their rights, including job changes and job search assistance, tend to have better employment outcomes (Shrestha, [2017]6). Filipino workers are well known for being proactive in forming migrant associations and community networks on their own to share employment experiences and knowledge on how to address problems (e.g., ILO 2015). Such networks can also play an important role in informing embassies and other concerned authorities of problems. For example, some NGOs (e.g., the Pravasi Nepali Coordination Committee and Paurakhi Nepal) played an important role in the rescue efforts of stranded migrants.

Moreover, migrant welfare funds can be used more efficiently to protect and assist migrant workers. A careful review of the use of these funds in Pakistan and assessment on their effectiveness is widely called for. The funds can aid migrants to purchase commercial insurance against the vulnerabilities arising during their overseas employment. Given the large volume of workers going abroad, risk pooling at low premium costs would be possible especially when insurance enrollment is a default or mandatory option. The benefits and payments schemes can be based on frequency and expected costs of risks, similar to other types of insurance, and such information can be obtained from complaints filed by migrants and returnees.

While the overall upgrading of the skills of migrant workers from Pakistan is important, it would be also useful for Pakistan to make concerted efforts to expand the range of targeted skills and occupations, and to promote Pakistani workers for available opportunities. Labor attachés or other designated officers could more actively collect information available in destination countries on upcoming projects. Regular dialogue with chambers of commerce and trade unions, as well as an analysis of existing skills surveys and labor shortage lists, would help. Based on such information and building up on current market penetration among Pakistanis, a more proactive marketing exercise could be undertaken. For example, the MOPHRD has visited Malaysia, complementing the efforts of OEPs, to get a market share in Malaysia in many sectors such as construction, agriculture (palm oil and rubber), and manufacturing.

Box 4.1 discusses further activities that embassies/attachés could carry out for worker protection and promotion in receiving countries.
Worker protection: As discussed earlier, migrant worker protection services are rather fragmented, and most services provided are reactive rather than proactive, and it is unclear how findings from protection cases/complaints are channeled to improving migration systems. The Director General of the Bureau of Emigration & Overseas Employment (BEOE) provides compulsory insurance, but the scope is limited to death/disability events and payouts appear to take some years (for instance, a case filed in 2011 is yet pending according to the BEOE’s report on this). The protectorates inspect migrants’ complaint cases filed during overseas employment, but it is unclear how these inspections are conducted given that they operate at a distance based on responses from overseas employment promoters (OEPs) and reports from community welfare attachés (CWAs); CWAs respond to complaint cases filed with the embassy, while resources to address them in a timely manner appear to be limited; and CWAs provide welfare services on the ground (such as filing and handling complaints and visiting deportation camps and hospitals) but, by nature of their work and resource constraints, CWAs are largely reactive and focused on issues that require immediate action, and the police and revenue departments in district offices redress grievances received from migrants.

Worker promotion: Embassies and attachés can also play a key role in the promotion of the Pakistan workforce at destination countries to ensure high demand for Pakistanis. This can be done by gathering labor market information and organizing promotional activities. Currently, not much attention is given to promote the Pakistani workforce actively via road shows, exhibitions, and proactive follow-ups to state visits. The OEPs play a dominant role in promoting the Pakistani workforce abroad. Discussions with the OEPs revealed that they could greatly benefit if the government or labor attachés could facilitate such efforts by providing labor market information in the destination country including lists of foreign employers or projects (such as Qatar Expo, FIFA) that they could explore further. The link between the CWAs and the Pakistan Overseas Employment Promoters Association (POEPA) is currently not very strong as there is an absence of a feeding mechanism for the transfer of information regarding new projects in the Gulf Cooperation Council (GCC) countries, skills in demand, labor market conditions, change in rules, etc. which the POEPA could then communicate to the OEPs. The POEPA members also shared that the government and labor attachés could also help Pakistan shed its image as a supplier of unskilled workers and help diversify into sectors such as tourism, information technology (IT), medicine, and hospitality. However, they expressed that breaking away from the stereotype of cheap, low-cost, and low-skilled labor is a challenge.

Global examples: The Philippines adopts a one-stop-shop approach to ensure the welfare of overseas Filipinos: one is the Philippine Overseas Labor Office (POLO, under the Department of Labor and Employment), part of its diplomatic missions, which is headed by a labor attaché. It offers a comprehensive set of social protection services to overseas Filipinos and their families: ranging from legal counseling, dispute settlements, redress of grievances, and other related social protection services to return-preparation services such as computer and other skills training (including entrepreneurship). POLO is set up in foreign cities where the Filipino concentration is high. It also collects information on migrant workers’ protection issues, which then feeds into strengthening/modifying pre-departure orientation seminars. The other mechanism is the Filipino Workers’ Resource Centers (FWRC) which also sits in Philippine embassies in cities with high Filipino concentration and is headed by labor attaché. It is managed by the Overseas Workers Welfare Administration (OWWA, similar to OPF), and focuses on addressing the welfare of overseas Filipinos—operating hot lines; counseling migrants in emotional, mental, and physical distress situations; and giving advice on remittance options and on the use of remittances. Access to services offered by both the POLO and FWRC services are limited to overseas Filipinos who are members of the OWWA by regulation.
Remittances

Policies for remittances tend to focus on two objectives: facilitating inflows of remittances, especially through formal channels, and promoting their productive use. These two objectives are intertwined with financial technology (Fintech) at the institution level and the financial inclusion (access to the country’s formal financial system) of individuals. Countries have increasingly introduced measures to facilitate easy, timely, and secure remitting at low costs. Some labor-sending countries such as Bangladesh and the Philippines have opened branches of their private and public sector banks in destination countries where they have the most migrants to facilitate their flows of remittances. Pakistan’s own Pakistan Remittances Initiative (PRI) is also seen as a good practice to support remittances through formal channels. These banks can not only provide services for remitting, but can also introduce financial products to facilitate the use of foreign earnings (e.g., investment in real estate) and to incentivize the use of formal channels (e.g., through income tax relief, bonds issues in foreign currency).

Demand for formal channels for remittances also depends on access to finance from the receiving end. The level of financial inclusion remains low in Pakistan, with only some 20 percent of adults possessing formal bank accounts measured by Global Findex 2017 (Demirguc-Kunt et al. 2018). Insufficient funds, too expensive financial services, and distance to a financial institution have been cited as the key barriers to opening a financial account. However, with 6.9 percent of Pakistani adults possessing mobile money accounts, compared with South Asia’s average of less than 4.2 percent, numerous opportunities for providing access through digital means exist. If government schemes to promote formal remittance flows are to be successful, financial inclusion is a necessary pre-requisite.

Returnee Migrants (Forced or Voluntary)

For an effective policy to encourage timely return and reintegration, learning about the outcomes of labor migrants once they return to Pakistan is important. As a first step, there is an urgent need to build a database or survey of returnees to better understand their characteristics and needs so that interventions can be designed better. Information needs to include age, education, country and sector experience, intention (or not) to remigrate, skills acquired including language, and contact information among others. Appropriate data would serve as a basis for evidence-based policy decisions and inform design of interventions aimed at facilitating reintegration of migrants into local labor markets or promoting productive employment of capital and skills acquired abroad to benefit the home economy.

A few governments implement reintegration policies and returnees support. In the Philippines, to better understand and support returnees, the government is currently undertaking multi-year surveys. At the same time, the Philippine National Reintegration Center of Overseas Filipino Workers (OFWs) operates reintegration assistance programs, which include providing loans for business startups, linking returnees with employers, providing training on business operations, and job search. Sri Lanka, as part of its migration policy and its prioritization of returnees, has a subpolicy—the National Plan on Return and Reintegration—that offers a comprehensive approach including the social, economic, and psychological reintegration of migrant workers. Under this, returnees are provided with housing and business loans but the awareness and utilization of these programs have been limited.

Services to help returning migrants to reintege into the labor market can start during their overseas employment. For instance, while results are yet to be seen, the Philippine embassy in Qatar provided weekend computer classes to their migrants to increase their employability back in the Philippines when

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29 Albeit doubled since 2011, it is at the lowest range among the lower-middle-income group.
30 Half of those without bank accounts have mobile phones (Global Findex 2017).
they return. Implementation of any reintegration policies should be at the local government level, as it has direct linkages with the local economies. Migrant integration policies of cities in labor-receiving countries could be a good reference—for example, Barcelona’s strategy to attract foreigners through positioning it as one of the most attractive destinations for returning migrants; Dublin’s “Your Dublin, Your Voice” initiative, which involves listening to the perceptions and needs of return migrants; and Hamburg’s development of a set of indicators and targeting values to monitor reintegration progress (EY 2014).

Specific programs will need to be tailored for deported or failed returnees who may need psychosocial support prior to the more general initiatives focused on economic reintegration. Pakistan’s own experience, such as the Temporarily Displaced Person’s Project in the Federally Administered Tribal Areas (FATA), which is a notable example of delivering health and nutrition services to the people who have not been reached by the Benazir Income Support Programme (BISP), could provide important lessons. Lessons can also be drawn from shelters provided by NGOs in Nepal, such as Paurakhi Nepal and the Prabhasi Nepali Coordination Committee, which enable stranded migrants readjust before they head toward their home in rural Nepal.

4.3 Administrative System

A critical issue of concern regarding the administrative system is the dearth of data on migration in Pakistan. The BEOE keeps track of the number of out-migrants by destination. However, since all record-keeping is done manually, mechanisms to track migrants and monitor their labor market outcomes and their journey throughout the migration process are lacking. Also, the data published on out-migrants are aggregated and lack information that could be potentially very useful, yet easy to collect, including age, education, district of origin, and contract specified wage. Thus the ability of the government to make evidence-based policy decisions is weak. A robust management information system (MIS) should be developed under the BEOE, in collaboration with relevant departments, so authorities and agencies can introduce effective systems to track the departure and return of emigrants while strengthening regulatory oversight. A move toward electronic data collection and compilation, proper utilization of the data, and the use of technology will enhance the analytical capabilities of the BEOE. In addition, a geospatial analysis will add a depth to the information aiding the government in assessing the need for a new Protector of Emigrant Offices based on expected caseloads.

In addition to MIS and administrative data, migrant surveys or such modules are warranted just as Pakistan periodically collects labor force and household surveys. The KNOMAD migrant cost survey enabled various comparisons across sending and receiving countries despite the difficulty in ensuring the representativeness of fluid migrants’ sample. Similarly an in-depth investigation on Pakistani migrants, with detailed information on the costs of migration, wages, job type, socioeconomic conditions, and networks, would be very useful.
Chapter 5. Conclusion

International migration is gaining an increasingly important place on the policy agenda in Pakistan as more people seek overseas opportunities. The large volume of migrants and remittances received alone may merit policy attention in Pakistan. Furthermore, numerous risk and vulnerability factors resulting from market failures—mostly notably asymmetric information and bargaining power between employers and workers, as well as credit constraints—justify public intervention in this area. When such market failures are well addressed, international migration could not only bring significant returns to individuals through human and financial capital accumulation, but also create spillover effects through remittances and investments.

The report discussed the key issues of international migration that Pakistan has to tackle to achieve the most developmental impact. Overall, efforts to diversify markets (receiving countries) and upgrade export quality (skills of labor) are required, with a juxtaposition of the international labor market to the trade markets of goods. The extent to which the destination markets are concentrated in two countries, occupations and sectors are limited, and areas of origin are also highly concentrated based on social networks, is quite significant. The sudden reduction in out-migration by half within two years is alarming, and calls for immediate policy actions. More proactive actions to diversify markets and occupations, including through bilateral arrangements, and investments in skilling of potential migrants, should be prioritized.

Focusing on individuals, risks along the migration process need to be recognized and mitigated. Policy attention is often placed on the number of migrants and remittances received, but not so much on the worker protection. However, without properly addressing the issue of worker protection, the benefits of international migration would not be fully utilized, and temporary labor migration would not be welcomed in both sending and receiving countries given the sensitive political economy aspect surrounding workers’ vulnerability. The report highlighted the information gap, migration costs, employment conditions and terms, lack of support systems, among others. Compared to the daunting list of challenges, the governance systems to manage these are markedly weak while multiple players operate in this field. In order for international migration to be used as the country’s employment, poverty reduction, and growth strategy, strengthening policies, institutions, and administrative systems would be critical.
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