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Review of the government-to-government mechanism for the employment of Bangladeshi workers in the Malaysian plantation sector



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the employment of Bangladeshi workers in
the Malaysian plantation sector**

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Foreword

Migrant workers form a key element in labour markets throughout the Asia-Pacific region. In Bangladesh, like many other countries of origin, labour migration is a source of employment, and workers' remittances are critical to poverty alleviation and for offsetting the foreign trade deficit. Malaysia is a major country of destination, where migrants make up approximately a quarter of the workforce. Migrant workers' contributions are critical in several key economic sectors, including the multi-billion dollar palm oil industry.

The high costs of migration, in terms of recruitment fees or remittance charges, are limiting the potential impact of migration on development. The need to reduce migration costs is widely recognized, including in the UN Secretary General's Eight-Point Agenda, presented at the 2013 UN General Assembly High Level Dialogue on Migration and Development. The ILO Director-General's Fair Migration Agenda, presented to the International Labour Conference in 2014, highlighted the abusive practices and high recruitment fees of unscrupulous intermediaries, including in relation to human trafficking and forced labour. The ILO Private Employment Agencies Convention, 1997 (No. 181) remains the reference point for standards governing the operation of private employment agencies and ensuring workers' protection. The ILO Fair Recruitment Initiative also aims to further strengthen laws and enforcement mechanisms, in line with Convention No. 181, and promote fair business standards and practices.

Generally, memoranda of understanding (MOUs) on labour migration between countries of origin and destination set out a framework for migration flows, outlining the procedures and responsibilities of the parties involved. In a bold effort to reduce the high costs of migration and ensure better protection for workers, the governments of Bangladesh and Malaysia signed an MOU that deployed workers in the plantation sector through a government-to-government (G-to-G) mechanism. Effective MOUs that are consistent with international labour standards, fair recruitment, and empowered and protected workers, are essential to ensuring the benefits of labour migration are more equally shared.

Stakeholders who took part in the ILO's technical cooperation activities concerning labour migration in Bangladesh and Malaysia presented a wide range of views on the success and failure of the MOU. To obtain an objective perspective, this independent assessment was commissioned. Interviews with key informants were held in both countries.

This is only a preliminary assessment and a much deeper analysis could be carried out. However, it is expected that this study will contribute to policy discussions and negotiations concerning the MOU between the two countries. In addition, other countries of origin and destination in the region will be able to learn from this experience, when considering the value of G-to-G arrangements in matching labour market needs, reducing recruitment costs and improving worker protection.

We would like to thank the relevant ministries, government departments and representatives of industry, trade unions and non-governmental organizations (NGOs) of Bangladesh and Malaysia for contributing to this study. The ILO will continue to

support the governments, social partners, employment service providers and other important stakeholders in Bangladesh and Malaysia on the critical issue of the governance of labour migration.



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Table of contents

Foreword.....	v
Acknowledgements.....	xi
Executive summary.....	xiii
Abbreviations	xix
1. Introduction	1
Background	1
Objectives, methodology, and limitations of the study.....	2
Objectives of the MOU	3
2. Major findings.....	5
Operational progress	5
G-to-G mechanism has lowered migration costs considerably.....	5
Employment opportunities provided to Bangladeshi workers under the G-to-G	7
What are the factors that can explain the gap between expectations and actual outcomes in relation to numbers mobilized?	8
Did the G-to-G mechanism contribute to an increase in smuggling of Bangladeshis to Malaysia?	12
Working conditions of G-to-G workers	12
Employment contracts.....	13
Minimum wages	14
Social security benefits	15
Retention of identity documents	15
Coordination among different stakeholders	16
3. Comparison with the Employment Permit System of the Republic of Korea	17
4. Recent developments and a proposed move towards a business-to-business (B-to-B) mechanism.....	19
5. Policy implications and recommendations.....	22
Guiding principles.....	22
Possible scenarios and options	22
Recommendations.....	23
Recommendations for Governments of Bangladesh and Malaysia	23
Recommendations to the Government of Bangladesh	27
Recommendations for the Government of Malaysia.....	28
Recommendations to the ILO.....	29
References	30
Annexes.....	33
Annex I: List of persons and institutions consulted.....	33

Annex II: KNOMAD project: Structure of migration costs	37
Annex III: Summary of Bangladeshi worker applications and approvals under the G-to-G mechanism.....	38
Annex IV: ILO Conventions ratified by Malaysia	39
Annex V: Free and fair labour in palm oil production: Principles and implementation guidance	40
Annex VI: Options for Bangladesh and Malaysia for the deployment of migrant workers .	41

List of tables

Table 1: Eligible employee information supplied by BMET to the Malaysian Government, by date.....	5
Table 2: Workers deployed in Malaysia under the G-to-G mechanism through 10 June 2015	5
Table 3: Structure of total migration costs under G-to-G per worker (June 2015)	6
Table 4a: Palm oil sector worker applications and approvals (2013-15)	9
Table 4b: Share of Bangladeshi worker requests and approvals (2013-June 2015)	10
Table 5. Comparison: Korean Employment Permit System and Bangladesh-Malaysia government-to-government mechanism.....	17

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This study has been prepared with the support of the ILO GMS TRIANGLE project (Tripartite Action to Protect the Rights of Migrant Workers within and from the Greater Mekong Sub-region), and the ILO's project on Promoting Decent Work through Improved Migration Policy and Its Application in Bangladesh. These technical cooperation projects are supported by the Australian Government and the Swiss Agency for Development and Cooperation (SDC), respectively.

Views expressed in this report are those of the author and contributors and do not necessarily represent those of the ILO, the Australian Government, and the SDC.

Executive summary

Background

The memorandum of understanding (MOU) between Bangladesh and Malaysia on the employment of Bangladeshi workers signed on 26 November 2012 established a state-managed recruitment system. It marked the resumption of regular labour migration flows from Bangladesh following a ban imposed by Malaysia in 2009 due to various recruitment malpractices in both countries.

The objective of the new MOU was “to agree on the recruitment process of workers from Bangladesh to Malaysia through [a] government-to-government mechanism (“G-to-G”)” (MOHR, 2012). It bypasses private employment agencies (PrEAs) and instead requires government entities in both countries to handle the selection and placement of workers. Individual Malaysian employers are required to submit their labour needs to the inter-ministerial Malaysian Committee on Application of Bangladesh Workers (MCAB) especially set up for the G-to-G mechanism, while the Bureau of Manpower, Employment and Training (BMET) of the Ministry of Expatriates’ Welfare and Overseas Employment (MEWOE) acts as the designated public employment agency in Bangladesh.

Palm oil is a multi-billion dollar industry that feeds into multiple global supply chains, from food to cosmetics. According to a presentation of the Malaysian Agricultural Producers' Association, export earnings for palm oil were 61.3 billion Malaysian ringgit (MYR) (US\$16.9 billion) in 2013. Because of the importance of this industry, the palm oil sector is one of the 12 National Key Economic Areas (NKEAs) identified in the Malaysian Government’s Economic Transformation Programme (ETP).

Given the link between recruitment and debt bondage and forced labour situations, there is keen interest from governments, social partners, the private sector and consumers around the world to promote fair recruitment practices and decent working conditions in the industry. Furthermore, a number of countries in the region have expressed an interest in a G-to-G approach, and this report provides for the sharing of experiences.

The objective of this study is to make a preliminary assessment of the workings of the above G-to-G arrangement with a view to identifying areas for improvement. This report was commissioned by two ILO labour migration projects: the ILO Project for Promoting Decent Work through Improved Migration Policy and its Application in Bangladesh and ILO Tripartite Action to Protect Migrant Workers within and from the Greater Mekong Sub region from Labour Exploitation (GMS TRIANGLE project). The staff of these two projects provided extensive guidance and comments throughout the process.

The analysis has been updated up to early August 2015.

Operation of the G-to-G mechanism

The Government of Malaysia initially introduced a ceiling of 10,000 workers from Bangladesh for the palm oil plantation sector in Peninsular Malaysia. BMET set up a database that registered 1.4 million persons from all districts who expressed an interest in migrating to Malaysia under the G-to-G mechanism. While this was a good

practice in terms of transparency and extending fair opportunities, the response far exceeded Malaysian employers' anticipated demand for workers.

In terms of operation, Bangladesh initially supplied records of 10,000 workers to Malaysia. By 10 June 2015, BMET reported that 7,616 Bangladeshi workers had started work in Malaysia. The number employed represents 76 per cent of the initial demand, but only 0.52 per cent of the number of workers that registered with BMET.

The major achievement of the G-to-G mechanism is the drastic reduction of migration costs by about 8 to 10 times, from US\$3,000-\$4,000 charged by private recruiters to about \$400 through the G-to-G mechanism – according to estimates provided by Malaysian Government officials. This was possible because the system was able to minimize intermediary fees. Workers hired through the G-to-G mechanism are therefore free of onerous debt burdens. Indebtedness can lead to some migrants violating the terms of their visas in order to pay back the debts, thus leading to increased vulnerability to exploitation.

In the absence of availability of the G-to-G MOU in the public domain and a general lack of information about systems that needed to be put in place by both parties, there is an impression that the mechanism has had limited success. It has been reported in the media that the mechanism has not been successful in expanding migration opportunities to the large number of Bangladeshi workers seeking overseas employment. Several accounts have been put forward to explain this situation: lack of attention to capacity building of machinery of the Bangladeshi Government, intense lobbying by PrEAs to make the mechanism appear to fail, and inadequate investment in the system by the Government of Malaysia. There is clear evidence that BMET developed the requisite capacity to handle the supply of workers. There is no hard evidence of lobbying by PrEAs against the system although reports in the media and interviews with key informants have highlighted such concerns. While the programme was obviously of high priority to the Government of Bangladesh, from the Malaysian perspective it is just one pilot programme applying to one sector and one country of origin, which may not have justified heavy investments.

The more plausible reason for the limited expansion of employment opportunities for Bangladeshi workers in Malaysia is the limited quota set by the Government of Malaysia, not the G-to-G system itself. Demand from Malaysia amounted to only 10,801 approvals by 30 June 2015 after two and a half years of operation, consistent with the quota set by the Government of Malaysia of 10,000 workers. Malaysia has not expanded the mechanism to other sectors or raised the ceiling to 30,000 workers as originally foreseen. From January 2013 to June 2015, Bangladesh received only 10.5 per cent of the total requests for workers by oil palm plantations in Malaysia, with the majority of requests being filled by several other source countries.

While the study was not designed to look deeply into the working conditions of workers hired under the G-to-G mechanism, some preliminary observations can be made based on key informant interviews. In general, workers migrating through the G-to-G mechanism face the same labour rights and protection concerns as all other foreign workers in the sector. Since only large estates are eligible to apply for G-to-G workers, such workers are thought to enjoy better working conditions than in smallholdings. They are also under less pressure because of low migration costs. The Ministry of

Human Resources (MOHR), plantation employers, and the Bangladesh High Commission all mentioned the absence of any major complaints. Neither Malaysian Trades Union Confederation (MTUC) nor Tenaganita (NGO) had had contact with workers that had arrived under the G-to-G mechanism, and there are few NGOs with access to workers in the plantation sector who are in a position to verify this.

The study found conflicting information on the signing of employment contracts, the availability of the documents in the language that workers understand, and whether workers were given copies of their contracts. Other common problems faced by plantation workers (but not specifically Bangladeshi workers) relate to passport retention by employers and pay disputes. The main issues relate to payment of less than the minimum wage, use of piece rate systems, and unjustified deductions. Such deductions are more common under subcontracting arrangements and in smallholdings. During field consultations, employers mentioned that passports were kept only with the consent of the workers who would have ready access to them in case of need. There was no way to verify this.

Overall, the G-to-G mechanism is a good practice model that has led to dramatic reductions in the cost of migration, eliminated debt burdens, and demonstrated that a state-managed recruitment and placement option is a credible one. While there were operational problems in the pilot mechanism, no serious attempt has been made to evaluate its operation up to now, and address issues affecting its effective functioning.

Possibility of introduction of a business to business (B-to-B) mechanism for all sectors with the governments playing a facilitative and regulatory role

There is a proposal to introduce a B-to-B mechanism to complement or replace the existing G-to-G mechanism. This is the option favoured by certain quarters in Bangladesh and Malaysia. This option carries a high risk based on past experiences. The MEWOE has made it clear that if a B-to-B mechanism is to be considered, all workers have to be drawn from the BMET job register/database and that foreign employers will have to bear most of the recruitment costs.

Conclusions

There are several key principles to be adhered to regardless of policy options considered by the governments of the two countries, based on relevant international labour standards and the *ILO Multilateral Framework on Labour Migration: Non-binding principles and guidelines for a rights-based approach to labour migration*. These include: ensuring migration in conditions of security, dignity, equity, and justice; transparency of processes; decent working conditions in Malaysia; avoidance of intermediaries and third-party institutions at both ends that create space for worker exploitation; equal treatment on par with national workers, and promotion of social dialogue with employers, workers, and civil society on migration policies and practices.

Expansion of the G-to-G mechanism

The study considers that the G-to-G mechanism offers the best scope for a way forward and supports its continuation and expansion to cover other permitted employment sectors. The MOHR has indeed taken such a decision and informed 11 other ministries, social partners, and other stakeholders on 23 June 2015 that the G-to-G recruitment system will be extended from the plantation sector to all other sectors. There are plans to introduce it to other countries of origin as well. Both governments

should take proactive steps to make the scheme known to employers and incorporate some flexibility for the selection of workers by employers without the mediation of a third party. They should also ensure transparency of the MOU and its implementation process through social dialogue with representative workers' and employers' organizations, and information sharing with social partners and other key stakeholders.

Combined G-to-G and B-to-B mechanism and options

Given that the MEWOE and Ministry of Home Affairs (MOHA) may consider a B-to-B mechanism, it is important to review several recruitment options rather than abandoning the G-to-G mechanism. Two options are possible: a) continue with the G-to-G mechanism for the plantation sector with higher quota allocation and a B-to-B mechanism for other sectors, which are relatively easier to monitor; and b) apply G-to-G and B-to-B mechanisms to all permitted sectors with a clear demarcation of permitted sectors per mechanism. Both options require proactive policies on the parts of both States' parties if the G-to-G momentum is to be maintained.

If the B-to-B mechanism is to be treated as an option, it is essential that a range of measures are put in place to prevent a backsliding to excessive recruitment fees that contribute to debt bondage, and irresponsible and unethical practices by outsourcing agencies. The regulatory framework needs to be strengthened and streamlined in both countries. Malaysia should update the Private Employment Agencies Bill drawing on international labour standards and good practices. Bangladesh needs to streamline the regulatory framework bringing in the new Recruitment Agent License and Conduct and Classification Rules. Recruitment fees must be monitored through regular surveys in both countries. Special efforts are required to publicize the procedures, and ensure their application.

Recommendations to the Government of Bangladesh

- The Government of Bangladesh should take a holistic view of all Bangladeshi migrant workers in Malaysia, ensuring their protection regardless of their legal status. The Government should also explore other overseas markets for Bangladeshi workers apart from Malaysia given the large numbers interested in labour migration abroad.
- Bangladesh should not abandon its commitment to the G-to-G mechanism given the demonstrated benefits, especially the dramatic reduction in migration-related costs. Rather, it should conduct a more in-depth assessment of its effectiveness, improve data collection on migration costs and working conditions. The Government should explore continuation of the G-to-G mechanism and, if necessary, its coexistence with B-to-B mechanisms.
- The current database developed mainly for plantation jobs in Malaysia should be further refined to obtain other information, such as specific skills, current or previous employment, and previous migration records, among others.
- Women should also be given migration opportunities in conditions of dignity and security to Malaysia in plantations as well as other sectors, and to other destinations. Women should be included in such agreements and be allowed to register and access other relevant services.

Recommendations for the Government of Malaysia

- The Malaysian Government, in cooperation with social partners, should forecast labour market needs in the medium to long term, as well as demand for migrant workers in the plantation sector and other sectors.
- Designate Bangladesh as a 'source country' for the supply of migrant workers to all permitted sectors in Malaysia, which will obviate the need for special procedures.
- Following on from the initiative of MOHR, expand the G-to-G mechanism to all employment sectors for Bangladeshi workers and also for other source countries where possible.
- Strengthen labour inspection services to monitor working conditions, ensure compliance with employment contracts, and detect incidences of forced labour practices. These should apply to all migrant workers, not only to G-to-G workers. It is also important to ensure that trade unions and NGOs have access to reach workers in the plantations sector.
- Involve social partners in major initiatives relating to policies and practices in regard to labour migration, including G-to-G and other arrangements, to obtain a consensus on the need for migrant workers.

Recommendations to the ILO

The ILO is already providing technical cooperation assistance in Bangladesh and Malaysia on labour migration. There is a broader set of policy and operational recommendations that have been developed, and also further emerge from ILO assistance relating to international standards and commitments, research, dialogue and cooperation. Specifically, it should support the two governments and social partners in their efforts to promote good governance of migration, fair recruitment practices, decent working conditions and social protection for migrant workers. It is important for both governments to gather information and data relevant for the planning and operation of labour migration programmes. Periodic surveys to monitor migration and recruitment costs, wages, and working conditions are needed. Technical assistance can be sought from the ILO for this purpose. In particular, the ILO should consider how to address the knowledge gap that continues to exist with regard to working conditions in the plantations sector. The ILO has conducted sectoral studies in a number of other countries that have contributed to more evidence-based policy formulation. In addition, the ILO could also replicate studies to measure recruitment costs in this corridor; a study on recruitment costs between Viet Nam and Malaysia is already underway, as are several similar studies between South Asian countries and Gulf States.

Abbreviations

BAIRA	Bangladesh Association of International Recruiting Agencies
BDT	Bangladesh taka
BMET	Bureau of Manpower, Employment and Training (Bangladesh)
B-to-B	Business-to-Business Mechanism
CIDB	Constructing Industry Development Board (Malaysia)
CIETT	International Confederation of Private Employment Agencies
CSO	Civil Society Organization
EPS	Employment Permit Scheme (Republic of Korea)
EPU	Economic Planning Unit
ETP	Economic Transformation Programme
FWCMS	Foreign Workers Centralized Management System
GCC	Gulf Cooperation Council
GFMD	Global Forum on Migration and Development
GMG	Global Migration Group
GNI	gross national income
G-to-G	government-to-government mechanism
ICMW	International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
ILMIA-MOHR	Institute of Labour Market Information & Analysis, Ministry of Human Resources (Malaysia)
ILO	International Labour Organization/ International Labour Office
KNOMAD	Global Knowledge Partnership on Migration and Development
MAPA	Malayan Agricultural Producers Association
MAPO	Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants (Malaysia)
MCAB	Malaysian Committee for Appointment of Bangladeshi workers
MDTCA	Ministry of Domestic Trade and Consumer Affairs (Malaysia)
MEF	Malaysian Employers' Federation
MEWOE	Ministry of Expatriate Welfare and Overseas Employment (Bangladesh)
MITI	Ministry of International Trade and Industry (Malaysia)
MOA	Ministry of Agriculture (Malaysia)
MOHA	Ministry of Home Affairs (Malaysia)
MOHR	Ministry of Human Resources (Malaysia)
MOIA	Ministry of Overseas Indian Affairs (India)
MOTOUR	Ministry of Tourism and Culture (Malaysia)
MOU	memorandum of understanding
MPIC	Ministry of Plantation Industries and Commodities (Malaysia)
MTUC	Malaysian Trades Union Congress
MWFM	Ministry of Women, Family and Community Development (Malaysia)
MYR	Malaysian ringgit
NGO	non-governmental organization
NKEA	National Key Economic Areas
NUPW	National Union of Plantation Workers (Malaysia)
OSC	One Stop Centre
PrEA	Private employment agencies / Recruitment agents / Recruitment agencies

RSE	Recognized Employer Scheme (New Zealand)
RSPO	Roundtable on Sustainable Palm Oil (Malaysia)
UNHCR	United Nations High Commissioner for Refugees
VWR	Visa With Reference
WARBE	Welfare Association for the Rights of Bangladeshi Emigrants

A review of the government-to-government arrangement for the employment of Bangladeshi workers in the Malaysian plantation sector

1. Introduction

Background

1. Bilateral agreements and memoranda of understanding (MOUs) for governance of labour migration are popular in Asia, but state-managed recruitment systems are not common. The Republic of Korea opted for state-managed recruitment in 2004 to address challenges of irregular migration and recruitment-related malpractices. The Government of Malaysia launched a government-to-government (G-to-G) mechanism for the employment of Bangladeshi workers in Malaysia in November 2012.¹
2. Malaysia has recognized 11 countries of origin as ‘source’ countries for hiring workers in permitted sectors of manufacturing, construction, plantation, agriculture, domestic work and services.² Workers from other origin countries – India, Indonesia, and the Philippines – face some restrictions relating to sectors or gender. From Bangladesh, workers can be hired only for the plantation sector under the G-to-G arrangement.³ The recruitment and placement of Bangladeshi workers in Malaysia by private employment agencies (PrEAs) and outsourcing companies during 2007–2008 resulted in various abuses. There were instances of workers who had paid high recruitment fees being stranded in Kuala Lumpur without a specific job to fill, or placed in forced labour situations, or deported (Palma, 2015a; Tenaganita cited in Robertson, 2008).⁴ This led the Government of Malaysia to impose a ban on the recruitment of workers from Bangladesh in 2009.⁵
3. It was only in 2012 that the Government of Malaysia agreed to resume the recruitment of Bangladeshi workers for the palm oil sector through a G-to-G mechanism based on an MOU signed on 26 November 2012.⁶ The two main parties were the Ministry of Human Resources (MOHR) of the Government of Malaysia and the Ministry of Expatriate Welfare and Overseas Employment (MEWOE) of the Government of Bangladesh. The objective of the new MOU was “to agree on the recruitment process of workers from Bangladesh to Malaysia through government-to-government mechanism (“G-to-G”)” (MOHR, 2012). It bypasses PrEAs and requires government entities in both countries to handle the selection and placement of workers. Individual

¹ The New Zealand Recognized Employer (RSE) Scheme is not strictly a G-to-G system since it allows direct hiring by employers and hiring through PrEAs.

² They are: Cambodia, Kazakhstan, the Lao People’s Democratic Republic, Myanmar, Nepal, Pakistan, Sri Lanka, Thailand, Turkmenistan, Uzbekistan, and Viet Nam.

³ See: <http://www.imi.gov.my/index.php/en/main-services/foreign-worker>. The reasons why Bangladesh has not been included among designated source countries (despite requests by Bangladesh) are not clear [accessed 6 Jan. 2016].

⁴ “More than four lakh Bangladeshi workers were recruited during that time, but many had remained jobless, coerced into working without wage or were given low wages and many were deported penniless” (Palma, 2015d).

⁵ Malaysia had imposed similar bans on Bangladesh in 1997 and 2001.

⁶ The exact title of the MOU is: “Memorandum of Understanding on the Employment of Workers between the Government of Malaysia and the Government of the People’s Republic of Bangladesh”. Previously an MOU was signed between the two countries for the recruitment of Bangladeshi workers on 22 October 2003.

Malaysian employers submit their demands to the Malaysian Committee on Application of Bangladesh Workers (MCAB), which was especially set up to process applications under the G-to-G mechanism.⁷ Employee selection is done from a job register⁸ of workers supplied by the Government of Bangladesh. In launching the scheme in 2012, the Government of Malaysia mentioned that the exercise will be conducted on a three-month trial basis with the provision to consider expanding the exercise to cover other economic sectors if found successful (MOHR, 2012). However, the scheme was extended later only to forestry and rubber plantations.

4. The Bureau of Manpower, Employment and Training of the MEWOE acts as the public employment agency for the G-to-G mechanism on behalf of the Government of Bangladesh. The Bangladesh Government initiated an online registration of workers willing to migrate to Malaysia through a decentralized system that resulted in a database of 1.45 million persons. Since Malaysia demanded only 10,000 workers initially, the Bangladesh Government used random selection procedures to select potential candidates for Malaysian employment.
5. Palm oil is a multi-billion dollar industry that feeds into multiple global supply chains, from food to cosmetics. According to a presentation of the Malaysian Agricultural Producers' Association, export earnings for palm oil were 61.3 billion Malaysian ringgit (MYR) (US\$16.9 billion) in 2013. Because of the importance of this industry, the palm oil sector is one of the 12 National Key Economic Areas (NKEAs) identified in the Malaysian Government's Economic Transformation Programme (ETP).
6. Given the link between recruitment and debt bondage and forced labour situations, there is keen interest from governments, social partners, the private sector and consumers around the world to promote fair recruitment practices and decent working conditions in the industry. Furthermore, a number of countries in the region have expressed an interest in a G-to-G approach, and this report provides for sharing of experiences.

Objectives, methodology, and limitations of the study

7. G-to-G mechanisms are often considered more effective in terms of migration governance, protecting the rights of migrant workers, and meeting labour market needs of employers for several reasons:
 - Governments are expected to prioritize the welfare of migrants, unlike PrEAs that are primarily motivated by profit.
 - They result in lower migration and recruitment costs for workers compared to the high fees charged by PrEAs. Lower migration costs reduce the vulnerability to debt bondage, and the likelihood that migrants will violate the terms of their visas in the destination countries in order to earn money to pay back their debts.

⁷ MCAB is chaired by MOHR. Members include officers of the Ministry of Home Affairs (MOHA), Immigration Department Malaysia (IMM), Ministry of International Trade and Industry (MITI), Ministry of Agriculture (MOA), Ministry of Plantation Industries and Commodities (MPIC), Construction Industry Development Board (CIDB), Ministry of Domestic Trade and Consumer Affairs (MDTCA), Ministry of Tourism and Culture (MOTOUR), and Ministry of Women, Family and Community Development (MWFM).

⁸ Bangladesh registered over 1.45 million persons interested in migrating to Malaysia in a database. It is possible that these persons are also registered in other job registers and have a general interest in migrating to any part of the world where they may find an employment.

- They can cover the full migration cycle unlike under PrEAs who focus mainly on the deployment of workers.
- Workers can be duly registered and accorded protection under respective labour laws of the two State parties.
- They serve to reduce irregular migration and trafficking in the event that adequate legal avenues for migration are provided under the arrangement.

These general advantages of G-to-G arrangements, of course, crucially depend on the specific context of respective countries and their effective application by the two State parties.

8. The ILO initiated this study with the objective of making a preliminary assessment of the workings of the G-to-G arrangement between Bangladesh and Malaysia. In addition to strengthening the knowledge base to guide policy recommendations, this study falls within the framework of the ILO Fair Recruitment Initiative, and the effort to enhance global knowledge on national and international recruitment practices. It was expected to focus on how the MOU had affected recruitment and migration costs and working conditions. Information was largely gathered through key informant interviews in both countries. In the course of the study, it became clear that an assessment of the working conditions of workers deployed under the scheme was too ambitious given the absence of any survey information on working conditions. The scope of the exercise did not permit a large number of interviews with workers who had migrated under the G-to-G scheme. The focus was on assessing the working of the system with a view to identifying its strengths and weaknesses, and how it could be made more effective. The lessons learnt are expected to be shared with other countries.
9. The findings are based on a desk study supplemented by limited field visits to the two countries for consultations during 20 June to 2 July 2015. The consultant had discussions with key informants in concerned government ministries, social partners, private employment agency associations in Bangladesh, a few Bangladeshi workers who had already migrated or were selected for migration to Malaysia, and concerned NGOs in both countries. The list of interviews and persons met is provided in Annex 1.
10. The limitations of the study pertain to the short duration of field visits, and the inability to meet some of the identified key informants. There was also limited access to some crucial documents on the grounds of confidentiality by both Governments and the ILO. It was also difficult to interview workers who had migrated under the G-to-G scheme since they were located in plantations scattered across Malaysia. The report has been updated in early August 2015, and it does not cover developments since then.

Objectives of the MOU

11. The MOU is said to have several objectives, of which the following were reiterated frequently by the governments in Bangladesh and Malaysia:
 - a. reduce the cost of migration and provide 'debt-free' migration for workers to Malaysia;

- b. provide a legal channel for Bangladeshi workers to migrate to Malaysia that bypasses PrEAs;⁹ and
- c. promote and protect the rights of both employers and workers.

The MOU spells out the respective obligations of the two governments, the employers, and the workers. The Government of Malaysia is obligated to process Malaysian employers' applications for workers from Bangladesh and ensure that Malaysian employers comply with employment contracts. The Government of Bangladesh is responsible for providing medically fit and debt-free workers to Malaysian employers, ensuring that the terms and conditions of the contract of employment are fully explained and understood by the workers, providing a pre-departure orientation programme, and also arranging the repatriation of medically unfit workers. Eligibility of applicants covers workers who are between the ages of 18 and 45 years old; possess the required qualifications and skills demanded by the employer; have basic knowledge of Malaysian culture and social life; possess the ability to communicate either in English or Malay; have no prior criminal record; hold valid travel documents; and meet Malaysian medical fitness requirements.

12. Employers have to respect the signed employment contract, not pass on the employer levy to workers,¹⁰ provide reasonable accommodation with basic amenities, and arrange and pay for repatriation upon completion of the contract. Workers have to pay for the initial airfare to Malaysia. There are also restrictions on workers joining political organizations, working for those other than assigned employers, engaging in subversive or criminal activities, marrying nationals, among others.

⁹ The MOHR press release explains: "The process of this mechanism does not allow the involvement of third parties, agents, outsourcing companies and the direct recruitment of workers by the employers but strictly confining to the respective agencies designated by both the Governments" (MOHR, 2012).

¹⁰ The levy is fixed at 590 Malaysian ringgit (MYR) (\$162) for the plantation sector (exchange rate \$1= MYR3.65 (simple average of 2 January to 21 July exchange rates published by Bank Negara)).

2. Major findings

Operational progress

13. In terms of actual operation, BMET provided full information to the Malaysian Government on 18,000 workers for possible deployment from 2013 to June 2015. The timing of information supplied to the Malaysian Government is detailed in table 1.

Table 1. Eligible employee information supplied by BMET to the Malaysian Government, by date

Date	Number of workers whose information was supplied to the Malaysian Government
2013	10 000
January 2015*	5 000
17 May 2015	3 000
Total	18 000

*Specifically for possible work in Sarawak.

Only 7,616 workers, however, migrated to Malaysia under the MOU as of 10 June 2015 according to BMET data while the Ministry of Plantation Industries and Commodities (MPIC) quoted 7,344 at the end of June 2015. The distribution of workers is as follows in table 2:

Table 2. Workers deployed in Malaysia under the G-to-G mechanism

Workers	Total
Number of workers whose data was sent to Malaysia	18 009
Visas approved/visas with reference (VWR)	8 476
Employed in Malaysia	7 616
2013	1 351
2014	5 141
2015 (up to 10 June)	1 124
Workers who decided not to accept job offer	594
Workers found to be medically unfit	251
Visa under process	15

Note: The figures in this table differ slightly from information supplied by the Ministry of Plantation Industries and Commodities (MPIC) in Annex 3.
Source: BMET

The Government of Bangladesh has been able to fulfil 76.2 per cent of the initial quota set by the Government of Malaysia. In relation to the number of workers registered in the database, however, only 0.52 per cent of registrants have found employment two and a half years after the signing of the MOU.

G-to-G mechanism has lowered migration costs considerably

14. PrEAs have previously charged exorbitant fees for migration to Malaysia, which saddled migrant workers with onerous debt burdens. These costs have ranged from

250,000 to 300,000 Bangladesh takas (BDT) (\$3,000–4,000) according to various estimates (Barkat et al, 2014; Palma, 2015a; Wickramasekara, 2014). A 2011 study estimated costs of migration to Malaysia by PrEAs ranged between \$2,447 and \$2,991 (Siddiqui, 2011). The G-to-G arrangement has brought about a substantial reduction in migration costs. According to the BMET, the initial estimate was BDT40,000 or about \$500. According to data supplied by BMET based on their official records, the cost has now come down to about BDT32,100 or \$413 due to lower airfares. Malaysian Government representatives roughly estimate that the cost of migration has been reduced from MYR12,000 (approximately \$3,300) to about MYR1,300 (\$356) through the G-to-G mechanism.¹¹ It is important to base these estimates on systematic surveys covering workers who migrated.

The BMET provided the following breakdown of total migration costs according to their calculations (table 3). It is sensitive to the cost of airfare, which is a major expense item that encompasses 69 per cent of the total cost of migration.

Table 3. Structure of total migration costs under G-to-G per worker (June 2015)

	Cost item	Cost in BDT	Cost in \$	% of total
1	Airfare (one way)	22 200	285.35	69.2
2	Welfare fund fee	2 000	25.71	6.2
3	Non-judicial Stamp	300	3.86	0.9
4	Visa fee	600	7.71	1.9
5	Bank charge	60	0.77	0.2
6	Tax	250	3.21	0.8
7	Smart card	250	3.21	0.8
8	Registration fee	150	1.93	0.5
9	Service charge	2 000	25.71	6.2
10	Uniform and others	390	5.01	1.2
11	Medical fee	3 500	44.99	10.9
12	Training including data processing fee	400	5.14	1.2
13	Total	32 100	412.60	100.0

Note: Exchange rate for June 2015: \$1=BDT77.8 (Bank of Bangladesh)

Source: BMET records based on administration data; table supplied by BMET (2015).

The total cost at BDT32,100 (about \$4,130) per worker is about eight to ten times less than the average fee charged previously by PrEAs. The other major cost components are the welfare fund fee and the BMET service charge, both of which cost \$26 and account for 6.2 per cent of the total cost.

15. This calculation focuses primarily on BMET administration procedures and omits some other cost items associated with migration, such as passport fees, costs of obtaining information, and internal travel and accommodation. Annex 2 provides the structure of migration costs as identified by the World Bank Global Knowledge Partnership on

¹¹ Information comes from discussions at the MOHR Office on 29 June 2015 in Putra Jaya. The exchange rate used is \$1.00= MYR3.65 (simple average of exchange rates from 2 January to 21 July 2015 reported by the Bank Negara Malaysia).

Migration and Development (KNOMAD) project on migration costs (Abella and Martin, 2014). From the viewpoint of the migrant worker, passport costs cannot be considered a personal cost if it is done mainly for the purpose of migrating for employment. Based on the interviews in Dhaka with workers selected for migration to Malaysia, these additional costs may average about BDT8,000 to 10,000 (\$103 –128). In this sense, the total cost of BDT40,000 (\$514) seems more realistic considering that workers usually come from rural areas far from the capital city and, typically, have to make at least two trips to the capital before migrating abroad.

16. The ILO Convention No. 181, and the International Confederation of Private Employment Services (CIETT) promote the principle that workers should not bear recruitment fees.¹² Neither Bangladesh nor Malaysia have ratified the Convention.

Employment opportunities provided to Bangladeshi workers under the G-to-G

17. When the MOU was signed in 2012, the then Minister of MEWOE is reported to have stated that at least 50,000 Bangladeshis would be sent to Malaysia within a year, and 100,000 by the following year.¹³ In regard to expanding migration opportunities to a large number of Bangladeshi workers seeking overseas employment, however, success seems to have been quite modest. Malaysia limited demand to 10,000 workers initially and indicated it would increase the ceiling to 30,000 over time. According to discussions with BMET, this was the plan for BMET as well. When Bangladesh went ahead with a countrywide online registration drive in January 2013, it resulted in an applicant database of 1.45 million persons. While one cannot question this on grounds of giving a fair opportunity to all from urban and rural areas, the Government could have been more cautious in its communication strategy and in setting unrealistic expectations.
18. The main critique of the system in Bangladesh has been that it has resulted in limited migration opportunities compared to a system involving the private sector. For instance, the Bangladesh Budget Speech of 2015 pointed out that if the G-to-G mechanism was implemented with the cooperation of the private sector, about 500,000 workers could be employed over the next five years (Government of Bangladesh, 2015). Such estimates are pure conjecture and ignore the context under which previous large flows took place, such as during 2007 to 2009. From its inception, the Bangladesh Association of International Recruiting Agencies (BAIRA) vehemently opposed the mechanism and wanted to play a role in the recruitment process (Wickramasekara, 2014). Palma (2015b) argues that the system was made to fail given the intense lobbying by recruitment agents in Malaysia, although it is difficult to find hard evidence for this. *The New Age* newspaper of 18 August 2014 carried a news item titled “G2G system fails to deliver” and reported that: “[t]he government-to-government mechanism worked out by the two sides for sending workers to Malaysia has simply failed, said officials and experts on the issue of migration workers,” although the article did not cite any credible evidence provided by the officials or experts (*The New Age*, 2014).

¹² See: http://www.ciett.org/fileadmin/templates/ciett/docs/CIETT_Code_Conduct.pdf [accessed 26 Jan. 2016].

¹³ See: <http://www.freemalaysiatoday.com/category/nation/2015/06/25/bangladesh-hopes-to-send-500000-workers-to-msia/> [accessed 26 Jan. 2016].

What are the factors that can explain the gap between expectations and actual outcomes in relation to numbers mobilized?

19. Several explanations have been put forward to explain the lower than expected mobilization of Bangladeshi workers under the G-to-G mechanism.

- **Government machinery does not have the requisite capacity to handle large volume migration.**

20. This is a commonly advanced position especially by PrEAs (Palma, 2015a). Discussions with most stakeholders in both Bangladesh and Malaysia did not suggest a failure as claimed above. The very fact that Malaysia agreed to continue the programme after the three-month trial period is testimony that the system has worked as planned. The robustness of the system can be assessed from the extremely low numbers of returned workers on medical grounds or the number of workers that have absconded from the programme. The G-to-G system has been very cost effective for workers and cannot be considered a failure according to Nilim Baruah, Senior Migration Specialist at the ILO Regional Office for Asia and the Pacific (cited in Palma, 2015b). The responsible agency – the BMET – invested heavily to develop a well-functioning e-recruitment system and a database linked to the Malaysian official system. They have been able to meet about 76 per cent of the initial quota of workers demanded, and are ready to meet higher forthcoming demand. The BMET has already planned a three-phase deployment programme amounting to 36,000 workers in order to meet the Government of Malaysia's planned increase in demand to 30,000 workers.

21. A related issue is whether the G-to-G process was too slow in processing the demand for workers placed by Malaysian employers. The MOHR mentioned a processing time of three weeks from receiving a request to approval. What is more important is the actual time taken to get a worker from the country of origin to the plantation from the date of the request. Plantation employers mentioned a period of one to three months from the time of making the request to actual employment of foreign workers, and in some cases more. The MPIC has also confirmed this.¹⁴ This is comparable to the hiring process through the One Stop Centre (OSC) of the Foreign Worker Administration Division of the Ministry of Home Affairs. At the Malaysian end, the process of security clearance for each applicant adds to the processing time. Unless staff capacity is increased to handle the requests to MCAB, the processing time will not be reduced.

- **Limited labour requirements of the palm oil sector**

22. A major reason for low mobilization of Bangladeshi workers seems to be the persistent low demand from the Malaysian side, specifically from the palm oil sector. During the consultations, the estimates of labour shortages in the palm oil sector ranged from 7,000 workers (Malayan Agricultural Producers Association (MAPA)) to 30,000 workers (MPIC). According to MPIC data, the palm oil sector employed a total of 452,973 foreign workers as of March 2015 and had a reported shortage of 32,458 workers.¹⁵ The Institute of Labour Market Information and Analysis (ILMIA, MOHR) labour demand projections for National Key Economic Areas show only an additional

¹⁴ Communication with the ILO by email on 30 July 2015.

¹⁵ Information provided by MPIC to the ILO. No information is available on the basis of this estimate of the shortage of workers in the oil palm sector. Similarly, there are no estimates of the shortages of labour in the forestry and the rubber sectors, which were added later as eligible sectors.

41,600 jobs created in the palm oil sector from new projects between 2010 and 2020.¹⁶ A labour shortage of 35,473 workers or 7 per cent of the total number of workers required in plantations was cited by Ludin et al (2013), who also concluded that labour shortages will be a continuing issue in the oil palm plantation sector. Another study based on a census of estates estimated the total shortage of labour in 2010 at 42,707 workers for all of Malaysia (Peninsular Malaysia 20,295; Sabah, 12,197; Sarawak, 10,215 (Abdullah et al, 2011)).

23. The labour shortage refers to the actual workforce requirements of the sector in relation to the available workforce. Retirements, repatriation of workers upon completion of their contracts, and workers joining other sectors without authorization (absconding workers) add to the shortages. Since the G-to-G mechanism has been operational only for Peninsular Malaysia until recently, a shortage of 30,000 as initially assumed sounds reasonable.¹⁷ However, the MTUC and Malaysian Employers' Federation (MEF) both argue that the shortage of workers is, in general, over-estimated (see Section 4).

- **Distribution of labour demand from the plantation sector between G-to-G and non-G-to-G mechanisms with other countries**

24. Bangladesh is not the only country supplying workers to the plantation sector, with employers recruiting from Indonesia, India, Myanmar, among others. A similar ceiling on the quota has not been fixed for workers from these source countries. The former Minister of MEWOE himself has mentioned that Bangladesh could not cash in on the opportunity due to its failure to convince employers to hire Bangladeshi workers (Staff Correspondent, 2015). From January 2013 to June 2015, Bangladesh received only 10.5 per cent of the total requests for foreign workers by palm oil plantations and only 10.1 per cent of the total approvals.

25. Analysis of requests by employers and data on approvals of foreign workers for the palm oil sector seems to indicate a higher level of demand than suggested by the data on shortages. In 2013, 930 applications were made for 60,220 workers from other countries at the OSC, while only 29 applications were made for 4,782 Bangladeshi workers through MCAB (tables 4a and 4b). This pattern was repeated in 2014 and 2015, although Bangladesh received a slightly higher share of requests (11.7 to 18 per cent). While 460 applications were made through the OSC, the MCAB received only 40 applications in 2014.

Table 4a. Palm oil sector worker applications and approvals, 2013–15

¹⁶ See: http://www.ilmia.gov.my/custom/dashboard/core_indicators.php?bin=forward [accessed 26 Jan. 2016].

¹⁷ It has been extended to Sarawak, but no deployment has yet taken place even though Bangladesh submitted records of 5,000 workers.

Year	Source countries (One Stop Centre (OSC), MOHA)			Bangladesh (MCAB)		
	No. of applications	Requested no. of workers	Approved number	No. of Applications	Requested no. of workers	Approved numbers
2013	930	60 220	52 276	29	4 782	3 650
2014	460	38 202	34 263	40	5 057	4 546
2015 (Jan to June)	181	16 204	11 184	14	3 603	2 811
Total	1 571	114 626	97 723	83	13 442	11 007

Table 4b. Share of Bangladeshi worker requests and approvals (2013¹⁸–June 2015)

Period	Total number of workers requested	Total number of workers approved	Requests for Bangladeshi workers as % of Col. B	Approval of workers from Bangladesh as % of Col. C
Col. A	Col. B	Col. C	Col. D	Col. E
2013	65 002	55 926	7.4	6.5
2014	43 259	38 809	11.7	11.7
2015 (Jan-June)	19 807	13 995	18.2	20.1
Total	128 068	108 730	10.5	10.1

Sources: Tables 4a and 4b based on data provided in Malik (2014) and additional data provided to the ILO by Dr Razali Malik in July 2015.

26. Annex 3 provides a summary of the G-to-G operations as of 30 June 2015 based on MPIC data. This shows that only a small number of plantations demanded Bangladeshi workers through the G-to-G mechanism. The fact that the Malaysian Government fixed the initial ceiling at 10,000 workers to be recruited from Bangladesh may explain this pattern since the plantations may have also limited their demand for Bangladeshi workers accordingly. It is unlikely that MCAB would have authorized numbers above the initial ceiling.
27. Some plantation employers mentioned that they preferred Indonesian workers who shared the same language and adapted easily to local situations. There is no information on the actual cost of hiring non-G-to-G workers, but the general impression given was that the G-to-G mechanism has led to lower recruitment costs for employers. At the same time, some employers pointed out that it is now more difficult to source workers for the oil palm sector from Indonesia since they also find better work opportunities at home with comparable wages, which is supported by other information (Raghu, 2014). Employers may also prefer the non-G-to-G mechanism because PrEAs may share some of their costs, such as the worker's levy (Palma, 2015a). A more concrete assessment would be required to draw clearer conclusions on the comparative costs.

¹⁸ Month not known.

28. A labour attaché in the Bangladesh High Commission pointed out that local employers do not seem to be familiar with the G-to-G mechanism.¹⁹ This could mean that both governments were not proactive in publicizing the schemes and reaching out to employers about the value of this initiative. Still, the question remains whether it would have made much difference given the initial quota fixed at 10,000 workers. It is not clear why the Government of Malaysia did not gradually raise the ceiling to 30,000 as originally envisaged.

One issue raised by some Malaysian plantation employers was that the G-to-G system restricted their choice to some extent since they were not able to interview and choose workers. They felt that it was important to interview groups of workers to select the best suited for the job. They are able to do this under a system where recruitment agents may shortlist candidates so that human resource managers can visit and interview them in their own countries.²⁰ This flexibility is lacking in the random selection procedure from the G-to-G database. There is no evidence to show that employers have conveyed their reservations on this issue to either government. Bangladesh could have accommodated such requests given the heavy investments they have made on the recruitment system. A more in-depth assessment would be able to determine how job-matching procedures could be organized to meet the interests of both the employer and the worker.

29. BAIRA mentioned that PrEAs cannot match the G-to-G costing because they have to pay employers and outsourcing companies in Malaysia to secure job orders. Payment of the employer levy by agents (and later passed on to workers) was mentioned as a usual business practice in securing orders in competition with agents from other countries. They also referred to costs of cultivating good business relations with the human resource personnel in employing companies.

30. The MOHR also revealed that they received a demand for 18,600 workers from seven companies that were found to be sub-contracting or outsourcing companies. Therefore, it did not authorize these firms to bring in workers.

- **Insufficient investment in the system by the Government of Malaysia**

31. One reason for the length of time it took to deploy workers under the G-to-G mechanism may be that there was insufficient investment in the G-to-G mechanism from the Malaysian side. While the programme is obviously of high priority to the Government of Bangladesh, from the Malaysian perspective it is just one pilot programme applying to one sector and one country. Large investments for such a programme would be questioned when they have to consider migration from many other countries of origin. It is unlikely that staff capacity was increased to deal with the new mechanism except in the establishment of the MCAB. Lessons can be drawn from the Republic of Korea, which has invested heavily in resources for the Employment Permit System (EPS). Unlike in the case of Malaysia, the EPS is however, the only legal avenue for recruiting migrant workers to the Republic of Korea from all designated countries of origin.

¹⁹ Skype discussion on 22 June 2015 at the MEWOE.

²⁰ Yet it may not be in the best interest of migrant workers because recruitment agencies in origin countries may pass on associated costs to workers including employer levies.

Did the G-to-G mechanism contribute to an increase in smuggling of Bangladeshis to Malaysia?

32. Another aspect which deserves attention is the claim that trafficking and smuggling of Bangladeshi workers has increased, probably as a result of limited migration opportunities resulting from the MOU (*NsNewsWire*, 2015; Palma, 2015c).²¹ Yet, such maritime movements involving Rohingya and Bangladeshis through the Bay of Bengal and Andaman Sea have been a regular occurrence, especially during the season when the seas are calmer. An ILO report mentions: “[a]t the end of November and the first week of December 2012, a number of news reports about trafficking in persons from Bangladesh to Malaysia came to light. Irregular migration to Malaysia through sea routes (by boat) was a common feature” (Barkat et al, 2014). This report dates prior to the commencement of operations under the G-to-G mechanism. The movements attracted more attention with the discovery of mass graves of smuggled and trafficked persons in southern Thailand and in Malaysia. Discussions with the United Nations High Commissioner for Refugees (UNHCR) Office in Dhaka and the UNHCR reports on maritime movements in South-East Asia highlight the long standing nature of these movements (UNHCR, 2015a and 2015b). There is no evidence to show that any of the boat people from Bangladesh were drawn from those registered in the jobseekers database developed for Malaysia.

Working conditions of G-to-G workers

33. The Government of Malaysia has ratified 17 ILO Conventions including six of the core Conventions (Annex 4). A number of them relate to working conditions. Sabah State of Malaysia has ratified the ILO Migration for Employment Convention, 1949 (No. 97). These should provide a firm foundation for national law and practice in the treatment of migrant workers in Malaysia, the bulk of whom are low-skilled workers.
34. While an in-depth assessment of working conditions of G-to-G workers in Malaysia could not be carried out due to the scope of this study, some plantation employers were interviewed. They did not highlight any major worker grievances with the mechanism. The Labour Wing of the Bangladesh High Commission also did not believe that there were major problems experienced by G-to-G workers. Only a few complaints relating to wages or accommodation had been made to them. The small number of workers reported as absconding from their employers (about 50 according to MOHR) also lends support to the absence of major problems in terms of working conditions.

NGOs working to promote and protect migrants’ rights are in regular touch with Bangladeshi migrant workers in other sectors, but have little interaction with workers in the plantation sector. Although several attempts were made to meet with workers hired through the G-to-G mechanism, the field mission was able to meet only one such worker and three other Bangladeshi workers who were hired through private channels.²² While this hardly provides a basis to form any conclusions, the fact that workers hired through the G-to-G mechanism are free of debt burdens confers a

²¹ This news release quotes Iftekhar Zaman, Executive Director of Transparency International Bangladesh: “... the slow pace of the government’s attempts to strike a deal for migrant labor resulted in many people turning to illegal labor brokers. That failure was also largely responsible for the phenomenal growth of illicit human trafficking including tragedies on the sea” (*NsNewsWire*, 2015).

²² The author is grateful to Mr. A. Navamukundan, Executive Secretary of the National Union of Plantations Workers for arranging these interviews.

definite advantage to these workers. Non-G-to-G workers interviewed had incurred high debts and spent one to two years paying off their debts before they were able to start saving. It is logical to assume that workers migrating through the G-to-G mechanism face the same protection situation as all other foreign plantation workers. This is because the Government of Malaysia has not introduced any special mechanism to monitor their working conditions or to ensure compliance of employers with their employment contracts.

35. The Roundtable on Sustainable Palm Oil (RSPO) is the world's leading palm oil certification scheme. Large Malaysian plantations are generally RSPO certified. Among the eight criteria for certification, number 6 reads as follows: "Responsible consideration of employees and of individuals and communities affected by growers and millers". According to a Finnwatch report, the responsibility requirements set by RSPO certification are, however, not adequate in ensuring the realization of labour rights at certified plantations (Vartiala and Ristimäki, 2014). Humanity United (2015) has outlined a more comprehensive framework of principles and guidelines for free and fair labour in palm oil production, which highlight the ILO core Conventions covering the Fundamental Principles and Rights at Work, ethical hiring, payment of a living wage, attention to worker health and safety, and a grievance mechanism to give workers access to redress (Annex 5). Kumar et al (2015) found precarious working conditions in palm oil plantations, especially in the Sabah region of Malaysia. They also found that precarious working and living conditions were more common in the smallholding sector than in large plantations.²³ Since only large estates are eligible to apply for G-to-G workers, the workers may enjoy better conditions than those working in smallholdings or under sub-contracting arrangements.

Employment contracts

36. Section 26 of Bangladesh's Overseas Employment and Migrants Act, 2013, defines the right to information on the part of migrant workers: "Migrant workers shall have the right to be informed about the migration process, employment contract or the terms and conditions of the work overseas, and the right to know about their rights as per the law before departure" (Government of Bangladesh, 2013). The Government of Bangladesh is responsible for ensuring that the terms and conditions of the employment contract are fully explained and understood by the workers before departure under the G-to-G system. The Government is also responsible for providing a copy of the employment contract to outgoing workers. Ideally, the workers should receive an enforceable employment contract in a language they understand before departure (ILO, 2006). A survey of member companies in different industries by the MEF reported that the majority of respondents provide contracts to workers in a language that they understand prior to departure from their home countries through private recruitment arrangements (MEF, 2014).
37. The mission inquiries, however, provided conflicting information. The three workers who were expected to migrate soon to Malaysia and interviewed at BMET had not

²³ The US 2015 Trafficking In Persons report on Malaysia mentions: "Some foreign migrant workers on agricultural and palm oil plantations, at construction sites, in the electronics industry, and in homes as domestic workers are subjected to practices indicative of forced labor, such as restricted movement, wage fraud, contract violations, passport confiscation, and imposition of significant debts by recruitment agents or employers." (United States Department of State, Trafficking in Persons Report, 2015).

seen their employment contracts. The BMET Malaysia Cell mentioned that the contract would be signed in Malaysia and that the employer would share a copy with the local Bangladesh mission. According to the BMET, contract conditions are fully explained in the information booklet handed over to workers during the orientation. However, the MOHR in Malaysia indicated that the contract should be signed in Bangladesh before the workers depart. The Labour Wing of the Bangladesh High Commission in Kuala Lumpur also mentioned that the contract is sent to Dhaka for signature. The interviews with plantation employers seemed to indicate that the contract is signed locally when the worker arrives. It is difficult to assess at which stage an employment contract is signed, and whether the model employment contract template provided in the MOU is followed in practice. While there was no information to suggest contract substitution, the system could allow for such a situation. None of the few workers interviewed in Malaysia had a copy of the contract with them. There was also some confusion as to whether the contract is bilingual or only available in English. There is definitely room for more transparency on the issue of employment contracts for the better protection of workers.

38. What is equally important for the protection of workers is the enforcement of the employment contracts. Discussions with officials in Bangladesh and Malaysia confirm that the MOU includes a standard employment contract as an annex. The MOU requires the Government of Malaysia to ensure that employers comply with the employment contract, but it does not spell out any special procedures for this purpose. Once workers join the plantation workforce, employers may not distinguish between workers hired through the G-to-G and other workers. The consultations revealed that both G-to-G workers and other workers may receive the same level of protection under national labour laws. Thus, effective protection depends on the frequency of labour inspection services and access to robust complaint and grievance procedures including through trade unions and NGOs. In this respect, there is nothing to suggest that labour rights of G-to-G workers are better protected than those of previous Bangladeshi workers in the plantation sector or other sectors, or other foreign workers.

Minimum wages

39. Since wage issues are one of the most frequent complaints by migrant workers, it is important to monitor the adherence to labour legislation in this respect. Plantation workers, including migrant workers, are eligible for the legal minimum wage of MYR900 per month (roughly about BDT17,000 or \$256).²⁴ According to the collective bargaining agreement with the National Union of Plantation Workers, it is now MYR975 (BDT18,500 or \$267) per month.²⁵
40. The main issues here relate to wage calculation formulas and deductions. As one NGO officer explained, most migrant workers are primarily concerned about the take-home pay, not other working conditions. Employers use piece rate systems to calculate wages, particularly for overtime work (Vartiala and Ristimäki, 2014; mission discussions). This may mean that workers may not receive statutory overtime pay for any overtime work (Vartiala, 2015). The wage calculation formulas, especially for harvesting, are quite complex. This is corroborated by the Finnwatch study of some plantations in Malaysia. It pointed out that wages are performance-based and do not

²⁴ Using the rate MYR1= BDT18.93.

²⁵ Information provided by National Executive Secretary, Mr Navamukundan, National Union of Plantation Workers (NUPW), Malaysia.

always meet legal minimum wages. One Bangladeshi harvester interviewed mentioned that his pay had decreased over time and that he would now want to shift to other tasks. It is important that employers show details of how wages are calculated on the pay slips and explain them to workers. Unlawful deductions are more common under subcontracting arrangements. Many plantations may assign specific operations to subcontractors who bring their own labour teams. There is no monitoring mechanism, although we were informed that major companies strictly monitor the practices of subcontractors to ensure their compliance with applicable laws and regulations.

41. With the introduction of the minimum wage effective from 1 January 2013 the Government allowed employers to deduct the employer levy from wages. According to the G-to-G MOU, the levy cannot be passed on to workers. It is not clear whether this MOU condition has been relaxed under the above amendment. The human resource managers of large plantations interviewed, however, maintained that they do not deduct the levy from workers even under the new regulations. It may be more prevalent in smallholdings and under subcontracting arrangements. The few workers interviewed confirmed that the employers pay the levy, but it is difficult to judge whether this is a general practice in the absence of more detailed information. The other deductions are for advances, accommodation, utilities, transport, and food allowances. The MEF Employers' Survey covering various industries found that more than 80 per cent of employers make deductions from migrant workers' wages (MEF, 2014). NGOs interviewed maintained that these can drastically reduce the worker's take-home pay, especially in medium and smallholdings where such deductions are common.

Social security benefits

42. In regard to social security benefits, there is an obvious anomaly in that all migrant workers are covered only by the Workmen's Compensation Act and not by the more extensive Social Security Law applicable to national workers. In fact, the ILO has observed the discrepancy in social security provisions between national and foreign workers in the Sabah State, which has ratified ILO Convention No. 97. There is an ongoing discussion between MOHR and the ILO in relation to Malaysia's obligations having ratified the ILO Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19).

Retention of identity documents

43. The MOU, while prohibiting the retention of passports by employers, has made a provision that employers can keep them in safe custody with the written consent of the worker. It further stipulates that the passport should always be made available to workers on request. However, passport withholding by employers seems to be a common practice. The Finnwatch report found that the concerned company retained possession of the workers' personal documentation and the workers could not independently make decisions on the use of their passport (Vartiala and Ristimäki, 2014). During mission discussions, the employers mentioned that passports were kept only with the consent of the workers who would have ready access to them in case of need. There was no way to verify this. Workers are, however, hardly in a position to refuse if the employer demands to retain their passports given their unequal power relations. Law enforcement in this area is weak as only one employer has been convicted and fined (MYR5,000 or \$1,400) for withholding employees' passports in

2014 (United States Department of State, 2015). A better option is the provision of personal lockers or other facilities to workers for the safekeeping of their identity and travel documents.

44. NGO consultations highlighted that workers are often penalized for not carrying their passports when it is well known that either they have been surrendered to employers for work permit renewals or kept by employers with or without worker consent. The police refuse to accept the official ID card and often try to extort money or arrest them when they have no means to defend themselves.²⁶ This pernicious practice is well known, but workers have yet to receive any redress.²⁷

Coordination among different stakeholders

45. There is space for better coordination arrangements in Malaysia. An ILO-sponsored mission citing MEF sources highlighted a lack of coordination among ministries (Martin and Abella, 2014). Although the G-to-G mechanism was jointly developed by MOHR and MOHA with both ministries playing crucial roles in the process, their perspectives and points of emphasis are different. The MOHR focuses on labour markets and human resource issues while the MOHA's mandate is on national security and immigration enforcement with detention and deportation being major preoccupations. Decisions on admission and outsourcing companies appear to be taken by the MOHA. At the same time, MOHA chairs the Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants (MAPO) which is responsible for the enforcement of the Anti-Trafficking in Persons and Smuggling of Migrants Act.
46. The MOHR clearly supports the G-to-G approach. In fact, it issued a circular on 23 June 2015 to several ministries, and trade union, employer and industry representatives, informing them of the extension of the Bangladesh G-to-G mechanism to other sectors.²⁸ This coincided with a visit of a high-level delegation from Bangladesh for discussions with MOHA, which led to the announcement of a B-to-B mechanism for expanding the employment of Bangladeshi workers.
47. There also seems to be lack of consultation on labour migration policy with social partners. Social dialogue through involvement of social partners is critical to sound migration policy formulation and implementation as highlighted in Principle 6 of the ILO Multilateral Framework on Labour Migration (ILO, 2006). Employers' and workers' organizations should be involved in consultations on designing any scheme for bringing foreign workers into various sectors. During consultations, employers' and workers' organizations in Malaysia were both not keen on expanding recruitment from Bangladesh or other countries. MTUC question the extent of the labour shortages reported, and argue that local workers are not willing to work for the current wage, which is not considered a living wage. It is believed that many more local workers would offer themselves for employment with better pay. According to them, bringing in foreign workers has, therefore, been at the expense of local workers.

²⁶The process is explained well in this news item: http://www.ekantipur.com/the-kathmandu-post/2015/03/27/related_articles/mistreated-in-malaysia/274707.html [accessed 8 Sep. 2015].

²⁷ Discussions with Caram Asia and Tenaganita.

²⁸ ILO-MOHR meeting minutes, 10 July 2015.

3. Comparison with the Employment Permit System of the Republic of Korea

48. The Republic of Korea's Employment Permit System (EPS) is the most prominent G-to-G mechanism in the Asia region. There are salient differences between the two G-to-G mechanisms as listed in table 5 below. The EPS is the only avenue for the Government of the Republic of Korea to bring in low-skilled workers to the country, whereas Malaysia relies on PrEAs for all other recruiting from designated source countries other than Bangladesh. The G-to-G mechanism is a limited initiative applicable only to Bangladesh and to selected plantations in Malaysia. The Korean EPS was designed to meet the labour needs of small and medium-sized enterprises, and is spread over 16 countries based on an annual quota system. The wages offered are much higher than the applicable minimum wage in Malaysia (about \$1,000 compared to \$256 per month, respectively). Employers select from a roster of persons who have passed a basic competency test and a Korean language proficiency test.²⁹ There are no such requirements in Malaysia.
49. The Malaysian G-to-G mechanism is primarily a labour recruitment system whereas the EPS contains some development elements. Both have resulted in a drastic reduction in average migration costs. The cost paid by migrant workers going to the Republic of Korea has reportedly dropped from \$3,509 under the trainee system in 2002 to \$927 under the EPS system in 2011, while the Malaysian agreement had brought costs down from \$3,000-4,000 to about \$400.³⁰ Both countries have limited demand for workers from Bangladesh. The EPS offered employment to 1,426 and 2,147 Bangladeshi workers in 2012 and 2013 respectively, which is even less than that offered under the Malaysian G-to-G mechanism.

Table 5. Comparison: Korean Employment Permit System and Bangladesh-Malaysia government-to-government mechanism

Item	Employment Permit System of the Republic of Korea	G-to-G mechanism for employment of Bangladeshi workers in Malaysia
Inception	2004	November 2012
Type of MOU	Mandatory MOUs	Mandatory MOU
Coverage: countries	Multi-country (16 countries)	Only for Bangladesh
Coverage: type of workers	For low-skilled workers	For low-skilled workers
Coverage: sectors	Covers several sectors: agriculture, manufacturing, & services	Covers only oil palm, forestry, and rubber plantations
Responsible agency	Ministry of Labour and Human Resource Development Council	MCAB representing several ministries: MOHR, MOHA, MPIC, MOA, among others

²⁹ This may be exclusive to the Bangladesh EPS.

³⁰ See: Wickramasekara (2015).

State recruitment agency	Bangladesh: Bangladesh Overseas Employment Services Ltd	Bangladesh: Bureau of Manpower, Employment and Training (BMET)
Determination of number of workers	Annual quotas set by Republic of Korea	Quota set by Government and requests for foreign workers by plantations and approvals by MCAB
Number of workers hired	2013=1,426 2014=2,147	7,600 from January 2013 to June 2015
Contract duration	Maximum four years and ten months with possibility of renewal after return	Three years with possibility of extension
Circularity	Workers can apply for return following departure end of contract to home country	No circularity or guaranteed return
Language test	Pass in Korean language proficiency test	No language requirement; pre-departure orientation mandatory
Worker selection	Through roster of those passing language test	Database of registered workers
Applicable laws	Full protection under national labour laws	Full protection under national labour laws
Applicable wage per month	About \$1,000	MYR 900 (about \$256)
Social security coverage	Social security coverage on par with national workers	Covered only by Workmen's Compensation Act.
Full migration cycle	Yes	Mainly a labour supply scheme: compulsory return at end of contract
Development considerations	Development elements - training for return and reintegration	No development elements: simple labour recruitment system
Backstopping	Resident officer in origin country for liaison and monitoring	Joint Committee meetings only

Source: Compiled by author.

4. Recent developments and a proposed move towards a business-to-business (B-to-B) mechanism

50. Due to slow mobilization of workers from Bangladesh to Malaysia and the continued trafficking and smuggling of Bangladeshi persons, the Government of Bangladesh has been under pressure to negotiate changes to the system by various groups, including PrEAs, NGOs, and the media. A high-level delegation headed by the Minister of MEWOE visited Malaysia in the fourth week of June 2015 and held consultations with Malaysia's MOHA. Following this, an announcement was made that an agreement had been reached to expand the deployment of Bangladeshi workers to other sectors (construction, manufacturing, and services) through the implementation of a B-to-B arrangement (Staff Correspondent, 2015). The Malaysian Home Minister stated that 1.5 million workers from Bangladesh will be brought to Malaysia in stages over three years to meet the demands of employers from various sectors (*The Malaysian Insider*, 2015a). When the ILO mission raised this issue at the meeting convened by MOHR on 30 June 2015, the MOHA representative explained that it was only a proposal under consideration.
51. Following reports of an additional 1.5 million workers to be recruited from Bangladesh, Mohd Khalid, President of MTUC, called on the Government to freeze the recruitment of foreign workers for a period of two years to avoid dumping of foreign workers in the country. According to him: "Malaysia has an estimated seven million foreign workers, but only 2.2 million are hired legally. This is an alarming figure and by increasing the recruitment of foreign workers, the government will neither be able to control nor monitor the overall situation" (MTUC, 2015). Mohd Khalid added that there were also employers who purposely took advantage by sacking their local workers and hiring foreigners in order to reduce their operational costs.³¹ During mission consultations, the MEF was also critical of the reported plan to bring in 1.5 million Bangladeshi workers under a B-to-B. Their view is that the economy is sluggish and that local workers may lose job opportunities through this measure. It highlights the importance of involving social partners and other concerned stakeholders in planning major decisions on the recruitment of migrant workers.
52. The former Bangladesh Minister of MEWOE mentioned that 500,000 workers will be hired by Malaysia in the first year under the B-to-B system. The duration of the work contract will be three years with provisions for extension by another year. An official news release explained that the Bangladesh and Malaysian Governments agreed to recruit workers from Bangladesh at a maximum cost of BDT40,000 with the Malaysian employers bearing all the expenses (Government of Bangladesh, Press Information Department, 2015). However, there seems to be some contradiction here because the current cost of BDT40,000 indicates that workers pay most of the migration costs themselves, including the air ticket. A Malaysian IT company that is negotiating with MEWOE and BAIRA for online processing of Bangladeshi migrant workers, recently announced that they are ready to process worker recruitment online for a total cost of BDT60,000 (\$770), which is much higher than the G-to-G cost of \$400.³²

³¹ See: <http://www.themalaysianinsider.com/malaysia/article/trade-union-group-calls-for-freeze-on-recruitment-of-foreign-workers-for-2> [accessed 8 Sep. 2015].

³² See: <http://www.mtuc.org.my/zahids-kin-eyes-system-for-1-5m-bangladeshis/> [accessed 26 Jan. 2016].

53. To provide some relevant regional context, recent Nepali Government initiatives on zero migration costs also highlight that employers should pay all costs involved in hiring workers. The Ministry of Labour and Employment of Nepal has instructed Nepal's embassies in Malaysia and in six Gulf countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) to stop attesting applications submitted by employment companies demanding Nepali migrant workers unless they were willing to pay their ticket and visa fees from 6 July 2015. Nepali recruiting agencies are opposed to the zero-cost migration policy arguing that other countries, including Bangladesh, might capture the job market (*Nepali Times*, 2015; Rai, 2015). The circular issued by the Ministry of Overseas Indian Affairs on 28 May 2015 also has a parallel with the positions of Bangladesh and Nepal. The circular mentions that no agent should charge more than 20,000 Indian rupees from a migrant worker and the major costs such as air tickets should be collected from the employer (MOIA, 2015).
54. The G-to-G mechanism is a good practice model which has led to dramatic reductions in the cost of migration, and has demonstrated that a state-managed recruitment and placement option is a credible one. While there are obvious operational problems in the pilot mechanism, no serious attempt has been made to evaluate its operation up to now and address issues affecting its effective functioning. At a minimum, before further decisions are taken, an in-depth joint study should be undertaken to identify strengths and weakness of the system, and how it could be made more effective and expanded. Instead, both Governments now seem to be moving away from the G-to-G mechanism without giving it a fair trial.
55. The main rationale for moving away from the system seems to be the low numbers mobilized under the scheme in relation to high expectations raised through the mass registration exercise in Bangladesh as discussed in previous sections. It seems to overlook the fact that the workers who migrated under the scheme incurred low costs and no debt burdens, and went through a streamlined migration process affording them better protection (Baruah cited in Palma, 2015b); resulting in few workers absconding or having to be repatriated for failing medical checks.
56. There are different estimates on the numbers of migrants who could have been hired under different scenarios. It is claimed that the private sector would have been able to send about 100,000 migrants per year to Malaysia (Government of Bangladesh, 2015; discussions with BAIRA). As pointed out earlier, these are largely guesstimates. These arguments overlook under which conditions such expanded migration could take place. The risk of a repetition of the 2007–08 situation with irresponsible and unethical practices by PrEAs in Bangladesh and outsourcing companies in Malaysia is a real challenge (Kanapathy, 2015; Palma, 2015a).³³ The employers have the option to hire from other countries of origin or from the pool of undocumented migrant workers. There is an obvious dilemma between the promotion of migration and the protection of migrant workers. While there is mention of 1.5 million workers being hired by Malaysia over three years (*The Malaysian Insider*, 2015a), discussions with Malaysian social partners seem to suggest that the numbers being floated are too high in relation to the economic situation and presence of large numbers of migrants in irregular

³³ See also <http://www.mfasia.org/bangladesh/42-sufferings-of-bangladeshi-workers> [accessed 26 Jan. 2016].

status. These estimates also ignore the issue that more than 600,000 Bangladeshi workers are already in Malaysia, more than half of whom are undocumented (Palma, 2015d). Deportation of undocumented migrant workers, including Bangladeshi workers, is an ongoing process³⁴ carried out by the Government. Current debates seem to ignore these issues.

³⁴ Undocumented workers can pay a fine and leave the country. The fine was reduced in 2015. See: <http://kathmandupost.ekantipur.com/news/2015-03-18/msia-decreases-penalty-for-illegal-migrant-workers.html>; and: <http://mapo.bernama.com/news.php?id=648186> [accessed 8 Sep. 2015]

5. Policy implications and recommendations

Guiding principles

57. There are several key principles to be adhered to regardless of which policy options are considered, drawn from the relevant international labour standards and the *ILO Multilateral Framework on Labour Migration: Non-binding principles and guidelines for a rights-based approach to labour migration*:
- Policies should ensure migration in conditions of security, dignity, equity, and justice under fair recruitment processes.
 - Transparency of processes should be promoted, especially under a B-to-B mechanism.
 - Any scheme adopted should promote welfare and protection of workers consistent with employer interests, as well as ensure decent working conditions in the country of destination.
 - Schemes should avoid intermediaries and third-party institutions at both ends to reduce the space for worker exploitation.
 - Equal treatment on par with national workers and non-discrimination – the cardinal principles of the ILO migrant worker instruments – should be respected.
 - Policies should cover of the full temporary migration cycle.
 - All decisions should be based on social dialogue with employers, workers, and civil society to the extent possible.

Possible scenarios and options

58. The Government of Bangladesh should take note of the strategy spelled out in the Malaysian Eleventh Plan for improving management of foreign workers during 2016–2020. Strategy A3 on improving management of foreign workers consists of two prongs: a) reducing reliance on low-skilled foreign workers to 15 per cent of the workforce in 2020; and b) streamlining the recruitment process for foreign workers (EPU, 2015).³⁵ While the first will impose a constraint on the numbers of workers sent to Malaysia, the second strategy is consistent with the G-to-G mechanism, although it refers only to the use of the OSC to fully bypass intermediaries.
59. There are issues of labour migration governance in Malaysia which need to be addressed by the Malaysian Government. No reliable estimates of the total number of migrant workers with undocumented status exist. According to the Home Minister of Malaysia, there are currently 2 million foreign workers in irregular status who have to be deported before new workers are brought in (*Bernama*, 2015). However, according to social partners, past efforts to deport undocumented workers have not been very successful. Martin and Abella (2014) highlight that weak enforcement of labour laws is a common complaint. The new Private Employment Agencies Bill drafted in 2014 is still in limbo. The Foreign Workers Centralized Management System (FWCMS) – a private portal recommended to origin countries for recruitment to Malaysia – has given rise to concerns among businesses and PrEAs about raising migration costs and giving monopoly powers to a select group of private companies for work permit renewal services and providing medical test equipment supplies to all countries of

³⁵ It noted that the agriculture, manufacturing, and construction sectors currently employ more than 30 per cent of foreign workers.

origin. At the same time, a new company is said to be lobbying to handle all new recruitment from Bangladesh according to press reports (Palma, 2015d).³⁶

60. Annex 6 attempts to highlight possible scenarios for the migration of Bangladeshi workers to Malaysia, which will be drawn upon in the next section on recommendations. The assumption is that the governance system has to accommodate the demand for low-skilled workers who have special protection needs. The status quo – defined as the G-to-G mechanism only for the plantation sector (palm oil, rubber, and forestry) – is probably no longer relevant. A more promising option is to extend the G-to-G mechanism to other sectors, including manufacturing, construction, agriculture, domestic work and services.
61. Other options that are likely to be considered are a mix of B-to-B with G-to-G. The chart in Annex 6 also attempts to highlight pros and cons of different options as well pros and cons of B-to-B. Regularization of current undocumented workers, including those from Bangladesh, and giving job-opportunities to refugees are other options mentioned by some Malaysian sources (*The Malaysian Insider*, 2015b). However, the Minister of Home Affairs seems to have ruled out these options at the current time.
62. It seems that a B-to-B mechanism for all sectors with the governments playing a facilitative and regulatory role may receive serious consideration by the Bangladeshi and the Malaysian governments. This option is being seen as one that would relieve the governments of the direct burden of managing recruitment and placements. However, giving the private sector full responsibility makes this the highest risk option to consider given the high migration costs that migrants were straddled with, and the consequent increased vulnerability to debt bondage. Some fear that the previous experiences of 2007–08 could be repeated (Palma, 2015d).
63. Social partners – workers’ and employers’ organizations – should be involved in designing any schemes for bringing foreign workers into various sectors. In the case of the Malaysia, both workers (MTUC)³⁷ and employers (MEF)³⁸ have voiced their concerns about the employment of foreign workers. This needs to be discussed in a tripartite forum in order to build consensus.

Recommendations

Recommendations for Governments of Bangladesh and Malaysia

Expansion of the G-to-G mechanism

64. In the short time that the G-to-G mechanism has operated, it has not been given a fair trial by both parties. At a minimum, before further decisions are taken, an in-depth joint study should be undertaken to identify strengths and weakness of the system, and how it could be made more effective and expanded, including with interviews of workers. Based on this review, the best option seems to be the continuation of the G-to-G mechanism, which needs to be expanded to cover other permitted sectors of employment. The MOHR informed key ministries and stakeholders on 23 June 2015

³⁶ See also: <http://www.lawyersforliberty.org/lfl-questionable-motives-and-benefits-in-bringing-in-1-5-million-migrant-workers/> [accessed 8 Sep. 2015].

³⁷ See: <http://www.barubian.net/2015/02/mtuc-concerned-over-recruitment-of.html> [accessed 8 Sep. 2015].

³⁸ See: <http://www.thedailystar.net/backpage/worry-hangs-over-hope-124546> [accessed 8 Sep. 2015].

that the G-to-G recruitment system will be extended from the plantation sector to all other sectors. This is consistent with what Bangladesh had been requesting all along.

65. Both Governments should take proactive steps to make the scheme known to employers and incorporate some flexibility into the selection of workers by employers without the mediation of a third party. Interviews with MEWOE officials highlighted that Korean employers have ready access to rosters of qualified Bangladeshi workers in all decentralized employment offices in the Republic of Korea.
66. Selection and placement of workers should remain the responsibility of the Bangladesh Government. Workers should be drawn from the BMET job register/database or an updated job register/database, which includes women jobseekers. The Malaysian Government should remain responsible for sourcing of vacancies for all sectors and setting up a one-stop service facility. Towards this end, either the services of the existing One Stop Centre of the Foreign Worker Management Division of MOHA or the MCAB can be expanded to service the employers seeking to hire Bangladeshi workers in Malaysia. The Malaysian Government should play a facilitative and regulatory role concerning issuance of immigration and work permissions and oversight of one-stop service centre in collaboration with the workers' and employers' organizations. The Bangladesh Government should continue to be responsible for sending the list of selected workers to the one-stop service centre in Malaysia, recruitment and placement of the workers. The possibility of having employers involved in the interview and selection process should be explored. The Malaysian Government should ensure compliance of employers with the employment contracts.
67. Simultaneously, an in-depth review of the strengths and weaknesses of the G-to-G mechanism should be undertaken by the Joint Working Group/Joint Task Force with a view to improve its operational strategies and outcomes. This would ensure good governance of migration processes, and protection and welfare of migrant workers. It could also inform the possible expansion of the G-to-G arrangement to other sectors and countries. Malaysia and Sri Lanka are reportedly discussing a G-to-G MOU on the recruitment of domestic workers.³⁹
68. The present criteria do not allow employers with smallholdings to apply for G-to-G workers. This may make them more dependent on workers arriving with high debt burdens or workers who have undocumented status. The scheme may be reviewed to assess the likely demand from smallholdings and whether provisions can be made for their inclusion conditioned on protection requirements.

Business-to-business mechanism and possible options

69. MEWOE and MOHA are reportedly interested in introducing a B-to-B mechanism to replace or complement the G-to-G mechanism. If so, it would be important to clarify the role of MOHR in the system. Since MOHR is responsible for labour market and workplace issues in Malaysia, its key role is essential for proper monitoring and to prevent the recurrence of problems that led to the ban of Bangladeshi workers in 2009.

³⁹ Information provided to ILO by MOHR at the 10 July meeting.

Several options may be considered in regard to a B-to-B mechanism

70. This report does not recommend a B-to-B mechanism in view of likely challenges in containment of migration and recruitment costs, effective monitoring and implementation, and worker protection issues based on past experiences. However, if a B-to-B mechanism were to be considered, some possible options, as given below, for such a mechanism to function better may be considered:

a) One possible option may be to continue with the G-to-G mechanism for the plantation sector with higher quota allocation and a B-to-B mechanism for other sectors. Some proactive efforts, including a higher quota allocation for Bangladeshi workers and better communication with employers and buyers higher up the supply chain, may be needed to make plantation employers use the G-to-G mechanism on a larger scale than at present.

b) A second option may be for the G-to-G mechanism to be expanded beyond the plantation sector, and for it to coexist with B-to-B mechanisms with a clear demarcation of permitted sectors per mechanism. The B-to-B mechanism should be used for sectors which are relatively easier to monitor.

For effective functioning of B-to-B mechanisms under all options, the PrEAs must be better regulated and their performance strictly monitored and classified/graded. The results of the classification/grading exercise should be placed in the public domain for transparency. Initially, the scheme should be implemented on a pilot basis with a select group of PrEAs. A precedent of such a scheme can be found in the system of mega recruitment firms promoted by the Kingdom of Saudi Arabia for the recruitment of domestic workers under its MOU with the Philippines (Bernal, 2015). However, granting monopoly power to one or two PrEAs from either origin or destination country cannot be recommended since it may lead to higher migration costs and protection challenges.

The large number of workers willing to migrate abroad in Bangladesh obviously creates opportunities for corrupt practices and leads to overcharging and cheating of the jobseekers. To minimize this, jobseekers should be drawn from the BMET jobseekers register/database. The success of this scheme would also depend on the cooperation from employers. If they are willing to cover all expenses as announced by the authorities,⁴⁰ it would help to minimize risks.

If the B-to-B option is to be considered, direct hiring by employers should be encouraged. Direct hiring potentially avoids some of the malpractices common among intermediaries. Governments have usually frowned upon this option, especially in regard to the hiring of skilled workers leading to brain drain. But direct hiring has been used without problems in Canada and New Zealand in their seasonal work programmes for hiring low skilled workers.⁴¹

71. Both governments should emphasise transparency of the MOU and its implementation process through joint working groups and task forces. Employers and workers who are the key actors in the process of implementation have the right to know of their

⁴⁰ Government of Bangladesh, Press Information Department, 2015.

⁴¹ See recent review of bilateral labour agreements and MOUs by the ILO (Wickramasekara, 2015).

rights and obligations which are listed in the signed MOU. Asian countries, such as India and the Philippines, and many developed countries maintain good practices in sharing MOUs in the public domain (Wickramasekara, 2015).⁴² It is recommended that the text of the MOU, annexes, and any important amendments be shared with major stakeholders and also placed in the public domain.

72. Given the current confusion regarding the signing of employment contracts, both governments should cooperate in monitoring the application of standard employment contracts and their enforcement. Bangladesh should issue the signed employment contract in a language understood by the workers, ensuring that they receive a copy of the contract well in advance before departure and that the workers fully understand the contents. Both governments should ensure that workers do not receive a different contract upon arrival at the workplace in Malaysia. Adequate labour inspection services and complaints mechanisms should be arranged by Malaysia to ensure compliance by employers.

Improvement of information and data relevant to migration

73. It is important for both governments to gather information and data relevant for the planning and operation of labour migration programmes. Martin and Abella (2014, p. 6) have highlighted “inadequate data and relatively little impact analysis” in evaluating the effectiveness of policies and programmes. A major gap is the absence of information on migration and recruitment costs, and wages and working conditions. Obvious priorities in this regard are periodic surveys to monitor migration and recruitment costs and wages and working conditions. A benchmark study and thereafter biennial surveys of migration costs can be undertaken adapting the World Bank and ILO KNOMAD survey standard methodology. Bangladesh can implement the surveys covering their workers while the Malaysian Government can cover workers from different source countries, providing a comparative picture of costs incurred by different groups of workers and wages and their working conditions. If Bangladesh and Malaysia choose to adopt a B-to-B mechanism in full or in part, both governments may seek technical assistance from the ILO, which has already conducted a study of migration costs from Viet Nam to Malaysia, using the KNOMAD methodology.
74. In this context, it is recommended that Malaysia and Bangladesh seek the support of the ILO in monitoring and evaluating the operations of the MOUs concerning G-to-G and B-to-B mechanisms. The ILO/Korea Partnership Programme to monitor the EPS provides a useful model to be considered. For several years, the ILO and the Republic of Korea carried out regular national workshops with countries of origin to review the operation of EPS with a view to identifying problems and improving the system. In the Bangladesh–Malaysia corridor, such monitoring should also cover functioning of the joint committees, major issues taken up, major decisions taken to address emerging problems, any amendments made or planned to the MOU, and plans for consultation with social partners. In this regard, the ILO should develop a transparent public

⁴² Also see: Bilateral labour agreements of Philippines on the official website of the Philippine Overseas Employment Administration (POEA), available at: http://www.poea.gov.ph/lmi_kiosk/labor_agreements.html [accessed 6 Sep. 2015].

Bilateral labour and social security agreements and memorandum of understanding of India on the official website of the Ministry of Overseas Indian Affairs (MOIA): <http://www.moia.gov.in/services.aspx?id1=81&id=m3&idp=81&mainid=73> [accessed 6 Sep. 2015].

reporting system and collaborate with the tripartite constituents for sustainability of this monitoring and evaluation mechanism.

Recommendations to the Government of Bangladesh

75. The Government of Bangladesh should take a holistic view of all Bangladeshi migrant workers in Malaysia, including enhancing protection for those with undocumented or irregular status. It should mobilize the support of the Malaysian Government to enumerate and develop a profile of all Bangladeshi workers in Malaysia.
76. The MEWOE should develop a credible and robust communication strategy that clearly lays out, for example: how it will communicate on mandatory public disclosure requirements; how it will respond to right to information requests (guaranteed by law in Bangladesh); and how it would communicate labour market information to different stakeholders. This is essential for ensuring effective communications based on available facts and deployment of public infrastructure and technical resources in proportion to need. There were a number of misconceptions about the scope of the G-to-G mechanism and its performance among the media and the public. The current practice of announcing the specific numbers of Bangladeshi workers to be recruited for Malaysia or other countries should be avoided until solid information or official request for the workers is available with the Bangladesh Government. Otherwise, certain media outlets may sensationalize the issues. This is a lesson of the current G-to-G exercise where expectations deviated widely from the actual scope leading to much frustration and dissatisfaction among affected parties. Also, presentation of what to expect in terms of living and working conditions in the plantation sector needs to reflect reality.⁴³
77. Bangladeshi workers incur additional personal costs in having to come to Dhaka to obtain information and complete recruitment formalities. This adds to costs of migration under both G-to-G and B-to-B systems. Decentralization of the registration process for foreign jobseekers is a good practice that has been adopted. Workers should be able to obtain required information and other services at the 42 District Employment and Manpower Offices covering 64 districts of the country. This calls for the District Employment and Manpower Offices to make extra efforts in community outreach by building familiarity and trust with the people.
78. Decentralization applies to PrEAs as well. Since most PrEAs are concentrated in Dhaka with only a few having an interest in opening district offices, they have to rely on unlicensed and unregulated intermediaries or *dala/s* to mobilize and bring workers to Dhaka. This leads to widespread financial exploitation of jobseekers by layers of intermediaries. Under the B-to-B arrangement currently being discussed, if it were adopted, the PrEAs should be required to recruit from among those listed in the jobseekers' register/database. This requires recruitment to be conducted locally at the district level under the supervision of the District Employment and Manpower Offices to minimize the costs incurred by jobseekers.

⁴³ For example, it is worth replacing the cover page of the information booklet distributed to potential migrant workers to Malaysia with a picture of a typical plantation rather than the picture of an airplane and Petronas Towers in Kuala Lumpur.

79. The current job register/database for workers willing to migrate to Malaysia was developed mainly for plantation jobs in Malaysia, and may need to be upgraded for wider use. It is possible that some may have not registered because of the nature of work or the specific destination. Therefore, some flexibility may be needed. Registered workers may need to be categorized by skill level and occupational qualifications if they are to be matched with jobs in different sectors. If not already on record, the database should be further refined to obtain other information such as specific skill levels, competencies, current or previous employment, previous migration records, among others. All job registers should have disaggregated data along variables such as age, gender, region, etc. During interviews, the BAIRA mentioned that passport information is lacking in the current jobseekers' register/database, which could affect the speed of processing. For the jobseekers looking for international employment, a registration number should be issued after the jobseeker has obtained and made available a passport and the qualifications of the workers are verified. The Bangladesh Government should have a jobseekers register/database that is inclusive of all genders and uses standard occupational classifications so that it could be used for placements to other countries as well.
80. Women should also be given migration opportunities in conditions of dignity and security to Malaysia in plantations as well as other sectors, and to other destinations. Women should be included in such agreements and be allowed to register and access other relevant services. The current database excludes women.
81. The proposed introduction of the B-to-B mechanism for migration to Malaysia highlights the urgent need to streamline the regulatory framework for PrEAs. The new Recruitment Agent Licence and Conduct and Classification Rules need to be approved urgently. At the same time, the MEWOE should establish a professionally qualified recruitment agent classification cell in the BMET to implement the classification system developed by a tripartite-plus committee set up by the MEWOE and headed by the Director-General of the BMET. Section 16 of the Overseas Employment and Migrants Act, 2013, requires that the Government classify recruitment agents in a prescriptive, graded manner.

Recommendations for the Government of Malaysia

82. Acknowledge that migrant workers, including those from Bangladesh, are making valuable contributions to the economy, and that migrants may be needed in the medium- to long-term to ensure growth in particular sectors.
83. Designate Bangladesh as a 'source country' for the supply of migrant workers to all permitted sectors in Malaysia, which will obviate the need for special procedures.
84. In cooperation with the social partners, the MOHR should take a lead in forecasting labour market needs in the medium- to long-term, as well as demand for migrant workers in different sectors. At present there are conflicting views of actual labour needs. Social partners seem to believe that further inflows of foreign workers may be at the expense of job opportunities for local workers. At the same time, foreign workers should be guaranteed matching jobs when they arrive in Malaysia. The extent to which a regularization of irregular migrant workers can address this labour market need should be considered. Employer and establishment surveys would be useful in this

regard and could be carried out by the ILMIA of MOHR. The ILO can collaborate in such an exercise.

85. Strengthen the regulatory framework of PrEAs and outsourcing companies. In this context, it is important to revise the Private Employment Agencies Bill based on international labour standards and good practices.
86. Strengthen labour inspection services to monitor wages and working conditions and compliance with employment contracts, as well as strictly penalize incidences of trafficking for labour exploitation. This should apply to all migrant workers, not only to G-to-G workers. A complaints database including remedial actions taken should be maintained and published.
87. Involve social partners in major initiatives relating to labour migration policies and practices of G-to-G and other arrangements.
88. As mentioned above, the G-to-G mechanism requires a joint in-depth evaluation by both governments. At the same time, it is important to review other deployment mechanisms handled by the One Stop Centre (OSC) of the Foreign Worker Management Division of the MOHA. In cooperation with countries of origin, the study can review the efficiency of the system using a variety of criteria. These include: deployment times, costs of migration, roles of PrEAs, incidences of absconding, employment contract procedures and compliance with their provisions, among others, which can highlight areas for improvement.

Recommendations to the ILO

89. Within the framework of its Decent Work and Fair Migration Agendas, the ILO should collaborate with both Bangladesh and Malaysia in their efforts to promote good governance of migration, fair recruitment practices, and decent working conditions for migrant workers.
90. The ILO could play a useful role in strengthening the research and information base on migration and recruitment costs and working conditions of migrant workers by supporting periodic surveys in the two countries and sharing international good practices on labour migration.
91. The ILO should inform both Bangladesh and Malaysia about the ILO/Korea Partnership Programme to monitor the Republic of Korea's Employment Permit System as a useful model to be considered.
92. The ILO can share information about recruitment options as well as acceptable employment practices and working conditions in the sector with relevant private sector actors. The various private sector initiatives and other convening groups, such as the Roundtable on Sustainable Palm Oil, could consider this when reviewing their principles and compliance criteria for companies in the sector.

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Annexes

Annex I: List of persons and institutions consulted

A. Bangladesh, 21-25 June 2015

Bangladesh Bureau of Manpower, Employment and Training (BMET)

Begum Shamsun Nahar, Director-General, Bureau of Manpower Employment and Training (BMET) and senior staff

Meeting with the BMET Malaysia Cell - staff involved in G-to-G documentation processing, BMET and Dhaka DEMO

Md Nazrul Islam, Deputy Director, BMET

Mohammad Ali, Assistant Director, BMET

Rezwanaul Haque, Assistant Director

Md Shafiqur Rahaman; Manpower Survey Officer

Md Jamal Uddin Sheikh, Manpower Survey Officer

Md Badiuzzaman, Welfare Assistant

Md Golam Mostafa Talukder, Manpower Survey Officer

Md Nazrul Islam, Manpower Survey Officer

Noorjahan Akter, Computer Operator

Md Azizur Rahman, Computer Operator

Md Wazed Ali

Ministry of Expatriate Welfare and Overseas Employment, Government of Bangladesh (MEWOE)

Engineer Khandker Mosharraf Hossain, MP, former Honourable Minister, Ministry of Expatriates' Welfare & Overseas Employment

Mr Khandker Md Iftekhar Haider, Secretary, Ministry of Expatriates' Welfare and Overseas Employment and Overseas Employment (MEWOE)

Mr Nurul Islam, Additional Secretary (Employment), MEWOE

Mr Kazi Kalam, Joint Secretary (Employment)

Mr Azharul Islam, Joint Secretary (Mission and Welfare), MEWOE

Bangladesh Association of International Recruiting Agencies (BAIRA)

BAIRA executive committee members

WARBE Development Foundation

Syed Saiful Haque, Chairperson

Focus group discussion with the workers in the process of migrating to Malaysia

Focus group meeting with Civil Society Organizations (CSOs)

Prabir Kumar Biswas, Coordinator, Bangladeshi Ovhibashi Mohila Sramik Association (BOMSA)

Shazzad Hossain, FC, Bangladesh Rural Advancement Committee (BRAC)

Hasan Tareq, RCO, Ovibashi Karmi Unnayan Program (OKUP)

Jasiya Khatoon, Director, WARBE Development Foundation

Md Borkot Ali, DD (Legal), Bangladesh Legal Aid and Services Trust (BLAST) Solidarity Center

J. Kuhlman, Deputy Director

Shahjadi Zaman

Md Nashir Ullah

Mithila Rahman

Zafar Ali

Syed Mahbub Elahi, Chairman, Ovibashi Karmi Kallyan Foundation (OKKAF)

Shaquib Quoreshi, Secretary, Bangladesh Employers' Federation (BEF)
Md Nehal Hossain, Documentation Officer, Association for Community
Development (ACD)

UN Agencies

ILO

Ms Nisha, Chief Technical Advisor, ILO Project for Promoting Decent
Work through Improved Migration Policy and its Application in
Bangladesh

Ms Disha Faruque, Programme Officer, ILO Project for Promoting
Decent Work through Improved Migration Policy and its
Application in Bangladesh

Office of the High Commissioner for Human Rights (OHCHR)

Mr Mika Kanervavuori, Human Rights Advisor,

United Nations High Commissioner for Refugees (UNHCR)

Khaled Fansa, Senior Protection Officer

UN Women

Ms Tapati Saha

Ms Sabina Saeed

National Human Rights Commission

Prof Mizanur Rahman, Chairman, Bangladesh

B. Persons met in Malaysia

Dr (Ms) Vijjayakumari Kanapathy, Independent Consultant

Mr Navamukundan, National Executive Secretary, National Union of Plantation Workers (NUPW)

Mr Mohammad Harun Al Rashid, Regional Coordinator, Caramasia

Mr Mathews, UP Group Manager Human Resources, United Plantations Berhad (UP), Jenderata Estate, Teluk Intan

Tuan Hj Mohamad bin Audong, Director, The Malayan Agricultural Producers Association (MAPA)

Meeting with Government agencies chaired by Ministry of Human Resources (MOHR)

MOHR

Dr Tan Awang Besar, Undersecretary International Division (MOHR)

Mr Satish (Policy division)

Ms Norlia (Labour Department)

Ms Kala (International Division)

MPIC

Dr Razali Ab Malik, Undersecretary, Innovation Promotion and Industrial Human Capital Division

Ministry of Home Affairs

Foreign Workers Division

Mr Wan Mohammed Saupee Bin Wan Yusoff ()

International Division

Mr Pius Inggong (MAPO)

Ms Eizan Liyana Zainudin (MAPO)

Immigration Department

Mr Ravi Mahalingam

Ms Zalika Moshin

Malaysian Employer Federation (MEF)

Y. Bhg. Datuk Shamsuddin Bardan, Executive Director

Ms Lee Yoke Wan, Sr. Manager - Research & Information

Malaysian Trades Union Congress (MTUC)

Gopal Krishnan, Secretary General

High Commission of Bangladesh

Ms Musharrat Jebin, First Secretary Labour Wing

Meeting with Bangladesh plantation Workers

Workers from a plantation – members of the National Union of Plantation Workers (NUPW)

Meeting with Tenaganita

Ms Glorene, Director (Programme)

Ms Aegile Fernandez, Director (Trafficking)

Mr Ashik, Programme Officer (Bangladeshi workers)

Skype discussion on 7 July with Sime Darby Group

Head Office

Ms Nadiyah Hanim Abdul Latif , Head, Corporate Affairs, Group Communication & Corporate Affairs

Mr Rashyid Redza Anwarudin, Head, Sustainability Reporting & Social Performance, Group Sustainability & Quality Management

Plantations Division

Mr Tang Men Kon, Head, Plantation Sustainability & Quality
Management
Ms Preetha Gopalan, Assistant Manager, Processing &
Documentation, Human Resources Department, Workforce
Management Unit
Mr Roslan

Annex II: KNOMAD project: Structure of migration costs

Column 1	Column 2
To obtain information on these costs the three KNOMAD surveys asked the following questions:	Remarks in relation to BMET migration cost estimate
How much did it cost you to :	
• obtain information about the job or apply for it with a local agent?	Not accounted for in BMET estimate
• learn the language in country of employment (e.g. requirement in Korea)?	Not applicable
• learn skills necessary to apply for the job?	Not accounted for
• obtain passport?	Not accounted for
• take the medical exams?	Included in BMET estimate
• take any skills tests required by the recruiter/employer?	Not applicable
• obtain this police/security clearance?	Not accounted for in BMET estimate
• obtain approval of employment contract /exit clearance by national authorities?	Included
• take a required pre-departure training?	Included
• acquire necessary health/life insurance?	Included
• obtain the work visa?	Included
• become member of welfare fund for migrant workers (required in some origin countries)	Included
• other costs including informal payments (e.g. bribes)?	Not known or accounted for in BMET estimate
• pay for local transportation and accommodation while applying for job?	Not accounted for in BMET estimate
• pay for international transportation, including all taxes (e.g. departure tax)?	Included

Source: Column 1 based on (Abella & Martin, 2014).

Annex III: Summary of Bangladeshi worker applications and approvals under the G-to-G mechanism

No	Item	Total
1	No. of applications submitted	83
2	No. of employers	43
3	No. of estates (owned by employer)	304
4	Total Bangladeshi workers requested	13 489
5	No. of approved Bangladeshi workers	10 801
6	No. of Bangladeshi workers who have arrived	7 344
7	No. of Bangladeshi workers in the intake process	2 659
8	No. of applications not approved by MPIC/MCAB	7
9	No. of Bangladeshi workers requested from applications that are not approved by MPIC/MCAB	18 600

Source: Information supplied to ILO by Dr Razali Malik of the Ministry of Plantation Industries and Commodities.

Annex IV: ILO Conventions ratified by Malaysia

No.	Convention	Date
Fundamental Conventions		
1	C029 - Forced Labour Convention, 1930 (No. 29)	11 Nov 1957
2	C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	5 June 1961
3	C100 - Equal Remuneration Convention, 1951 (No. 100)	9 Sep 1997
4	C105 - Abolition of Forced Labour Convention, 1957 (No. 105) - <u>Denounced</u> in 1992	3 Oct 1958
5	C138 - Minimum Age Convention, 1973 (No. 138) Minimum age specified: 15 years	9 Sep 1997
6	C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	10 Nov 2000
Governance (Priority) Conventions		
7	C081 - Labour Inspection Convention, 1947 (No. 81)	1 July 1963
8	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	14 June 2002
Technical Conventions		
9	C050 - Recruiting of Indigenous Workers Convention, 1936 (No. 50)	11 Nov 1957
10	C064 - Contracts of Employment (Indigenous Workers) Convention, 1939 (No. 64)	11 Nov 1957
11	C065 - Penal Sanctions (Indigenous Workers) Convention, 1939 (No. 65)	11 Nov 1957
12	C088 - Employment Service Convention, 1948 (No. 88)	6 June 1974
13	C095 - Protection of Wages Convention, 1949 (No. 95)	17 Nov 1961
14	C119 - Guarding of Machinery Convention, 1963 (No. 119)	6 June 1974
15	C123 - Minimum Age (Underground Work) Convention, 1965 (No. 123) Minimum age specified: 16 years	6 June 1974
16	MLC - Maritime Labour Convention, 2006 (MLC, 2006) In accordance with Standard A4.5 (2) and (10), the Government has specified the following branches of social security: medical care; sickness benefit and employment injury benefit.	20 Aug 1913
17	C187 - Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)	7 June 2012

Source: ILO Standards database (viewed in July 2015).

Annex V: Free and fair labour in palm oil production: Principles and implementation guidance

Free and fair labour in palm oil production: Principles and implementation guidance

1. The International Labour Organization (ILO) Core Conventions are upheld.
2. Ethical hiring and responsible employment are practiced.
3. Reasonable production targets, working hours, and leave entitlements are established.
4. A living wage is paid.
5. Worker health and safety and the welfare of workers and their families are prioritized.
6. Access to remedy is guaranteed.
7. Commit to meaningful due diligence, transparency, and disclosure of human rights policies, procedures, and data, with a focus on labor and employment.

Source: (Humanity United, 2015)

Annex VI: Options for Bangladesh and Malaysia for the deployment of migrant workers

No	Option	Pros	Cons
1	Continue with G-to-G only while expanding it to all sectors; same database but include women for other sectors	Equitable and better worker protection; eliminates third-party mediation	Vested interests; not much political support in Bangladesh
2	G-to-G with some flexibility for selection by employers	Helps select workers with best fit; addresses one current grievance of employers	Involves extra transactions costs for employers normally met by local agents.
3	G-to-G and B-to-B in combination for a select group of reputed PrEAs only who are strictly monitored by both governments and direct hiring by accredited employers. No sub-agents or outsourcing companies	Can address current concerns of PrEAs: could lead to more deployment and faster processing	Administration difficult; selection biases and political pressures to be included; effective governance of PrEAs a challenge
4	G-to-G for plantation sector with higher quota allocation and B-to-B for other sectors, which are relatively easier to monitor	Fits in with both MOHA's current thinking; satisfies plantation sector interests	Difficulty in finding the right modalities; serious concern about workers protection under B-to-B
5	Complete B-to-B for sourcing vacancies in Malaysia for all sectors with government role as facilitator and regulator with a service centre for employers to be run by the PrEAs	Relieves burden on government machinery; allows more focus on protection and regulation	May be at the expense of worker welfare and protection; poor governance and fair play difficult to ensure at both ends; may lead to irregularities because of high fees as in the past.

Source: Compiled by author.

Review of the government-to-government mechanism for the employment of Bangladeshi workers in the Malaysian plantation sector

A memorandum of understanding (MOU) on the employment of Bangladeshi workers in the Malaysian plantation sector was signed by the two countries in November 2012. It established a state-managed recruitment system, where government entities in both countries, rather than private employment agencies were responsible for handling the selection and placement of workers. One of the specific aims of the MOU was to reduce recruitment costs and eliminate recruitment malpractices. This study is a preliminary assessment of the MOU, and recommendations for both countries are put forward for how the system can be improved. Moreover, the study allows for a sharing of experiences among the other countries in the region that have expressed an interest in government-to-government MOUs as a means to promote fair recruitment practices and decent working conditions for migrant workers.



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