

The Dark Side of Remittances

By Wendy Doromal

Development organizations that support the use of remittances for poverty reduction have a responsibility to workers sent

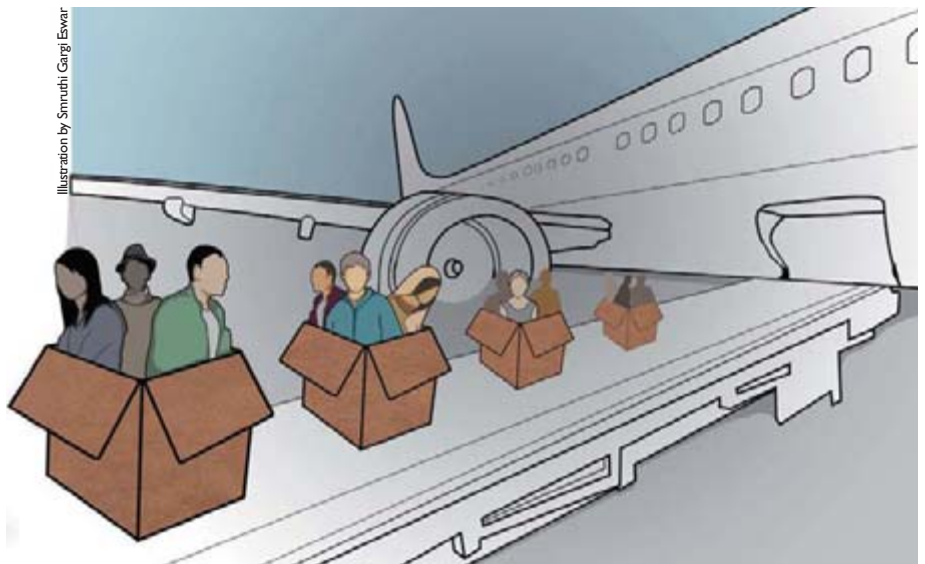
Many in the international development community have come to see remittances—the money sent home to their families by overseas workers—as something of a panacea for reducing poverty. Loving family members working in wealthy nations send money directly to those who need it most in the world’s poorest countries.

But the relationship is not that simple. Asian countries have become dependent on human exports to sustain their economies through remittances. The World Bank estimates that 190 million migrants remitted \$397 billion in 2008. Remittances to India were \$52 billion that year; the People’s Republic of China, \$40.6 billion; and the Philippines, \$18 billion. Even Viet Nam, which is relatively new to the labor-exporting game, received \$7.2 billion.

“Workers flow out, money flows in” has become a mantra for Asian nations. The money sent to countries through banks is counted as part of the home country’s dollar reserves and helps strengthen the bid for loans. Remittances have also been credited with lowering poverty levels in labor-exporting countries. Foreign workers not only serve their employers but also their home countries.

Commodifying People

The exportation of labor has a social and human cost that is often ignored or minimized. Across the globe, stories of exploitation and abuse have cast a dark shadow on the economic gains of labor-exporting countries. These countries are responsible for protecting the dignity and



rights of their citizens who work overseas and for maintaining the social fabric of their society. These workers are often regarded more as commodities rather than as valued citizens.

Family relationships are severed as a parent or parents work overseas. Ironically, many female overseas workers serve as domestic helpers who raise other families’ children while relatives raise their own children. Years of separation also weaken marriages and relationships with the children.

The majority of the workers who go abroad expect to experience some cultural and language difficulties. Unfortunately, that may be the least of their worries. Vulnerable workers, who are often little more than indentured servants, find themselves systematically dehumanized. Employers hold their passports and restrict their

freedom by confining them to their living quarters. Many work for free in the first year because they need to pay back fees for recruitment, passports, and other required paperwork.

The first place to stop abuses is in the country of origin. Sending laborers abroad is a highly profitable business for recruiters, and manpower agencies. Government employees have been accused of helping minors and others sneak past immigration officials with fake documents resulting in dire consequences. Minors who were promised jobs as waitresses have found themselves trafficked into the sex trade.

Kickbacks and commissions have resulted in an oversupply of workers as companies enlist more people than they can employ. Scammed workers who paid thousands of dollars to work abroad

have found themselves jobless once they reached their destination. Such was the case of an estimated 1,000 workers from Bangladesh, India, and Sri Lanka who paid recruitment fees of \$2,000 for a chance to earn between \$600 and \$800 a month in Iraq. Their passports were withheld and they received no pay. In December 2008, the men protested in an abandoned Iraqi airport where they were housed in tents.

Each year, tens of thousands of expatriates across the globe find themselves victims of labor abuse, unpaid wages, and other contract violations. Living as a disenfranchised underclass, they endure the most stoic of living conditions, sacrificing to fulfill their moral obligation to send money home to their families.

Giving Workers a Voice

One such worker, Buddhi Lal Dhimal, a Nepalese foreign worker in the US Commonwealth of the Northern Mariana Islands, went to the Department of Labor repeatedly to request help in getting the \$2,400 owed to him by an unscrupulous employer. He needed to send the money to his family, according to his daughter Pabitra Dhimal. Finally, after he was told that he would be deported without the money, he doused himself with gasoline outside the labor office and set himself on fire. He died a month later.

In some extreme cases, in which workers have been hanged, beheaded, tortured, or wrongfully imprisoned, governments have spoken out and attempted to intervene. However, for the tens of thousands of workers who suffer daily, instead of outrage, the labor-exporting nations that sent them overseas turn a blind eye to abuses or remain silently complacent. Abused workers have fled to their foreign embassies or consulates only to be returned to their employers. Maintaining diplomatic relations while nationals suffer rather than risk losing remittance funds is not acceptable.

Development organizations, which promote labor exportation as a measure to reduce poverty, share in the responsibility of protecting workers. They should use their influence with the labor-exporting countries to enact and enforce stronger regulations to protect these workers, or restrict or stop the flow of workers overseas entirely when abuses occur.

Many of the workers come from the lowest stratum of society and possess little political power or influence. It is therefore up to all of us to give voice to this situation to ensure that laws and public policy protect citizens whose rights must not be secondary to their economic contributions. ●



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