

THE BUSINESS MODEL OF BROKERS IN BANGLADESH, GHANA AND SINGAPORE: LESSONS FOR POLICY

Main messages

- Whilst brokers are complicit in perpetuating precarious working conditions and subservient forms of behaviour they are still in demand among would-be migrants because they get them to the destination and provide a range of services
- Foremost among these is help in managing migration risks by meeting the upfront costs of migration, assistance with accommodation, food and clothing at destination, support in between jobs and sharing the burden of defaulted loans
- Informal brokers act as cultural brokers, helping migrants from remote rural areas navigate unfamiliar and intimidating procedures and societies; and as power brokers, representing migrants in negotiations with employers over wages and working conditions
- Brokers also act as guarantors for migrants where character references are important and this is much valued by employers
- Brokerage is fuelled by regulations and environments that are difficult for migrants to negotiate and efforts to eliminate it will prove futile unless more accessible and pro-migrant measures are implemented.

Background

A top priority for governments and human rights organisations aiming to end trafficking, forced labour, and modern slavery in migration is to “break the business model” of brokers who are believed to be the main channel through which exploitation occurs.

According to the Global Slavery Index, an estimated 45.8 million people are enslaved in the world today generating an estimated \$150.2 billion a year in profits. Both domestic work and construction work have attracted global attention as occupations where situations of forced labour and slavery are widespread due to a combination of factors including a lack of written contracts, the hidden nature of the work inside private homes (in the case of domestic workers), non-compliance with labour laws, and the prevalence of labour market intermediaries or brokers. Migrant workers from poorer countries and marginalised communities are heavily represented in both occupations. Often, the only way they can negotiate complex immigration and work permit regulations is with the help of migration brokers who possess the skills, knowledge and connections needed to traverse these different worlds. Brokers are equally important for internal migration, helping people in remote rural areas access work in urban locations where employers look for guarantors to vouch for their honesty and ability to work hard.

Our contribution to existing knowledge

Our research on migration industries - or the range of institutions, agencies and individuals including brokers that together make it possible for a migrant to migrate - in Bangladesh, Ghana and Singapore shows a more complex reality where brokers are both complicit in perpetuating exploitation and conditions of forced labour but also supportive in helping migrants with their own agendas for bargaining for better working conditions and self-development.

The research provides insights into hitherto unknown aspects of the structure and functioning of the migration industry. It also attempts to convey the advantages and disadvantages of migrating through a broker from the perspective of the migrant. This viewpoint shows how migrants’ understanding of the risks and success of such migration and the reliability of brokers is at variance with the dominant discourse which focuses on comparing working conditions against international standards of decent work. Migrants take a longer-term view, where they are prepared to trade off poor working conditions in the short term to improve their social position and wealth in the longer term.

Methods

Evidence was generated mainly through qualitative research as the objective was to understand the social relationships that underpin brokerage. However, the selection of respondents was aided by the household surveys conducted as these provided background data on household characteristics, migration patterns, assets and incomes. In total, 44 in-depth, semi-structured interviews were conducted with migrant workers; 69 with formally registered and informal brokers at various levels of the hierarchy and 47 with key informants including employers, government officials, border control agencies, trade unions and civil society organisations. Interviews were supplemented with observation, monitoring advertisements for migrant workers in the press and informal discussions in source and destination areas.

What we found

Brokers have been demonised as exploiters of migrant labour due to the level of control they can exercise over migrants who have no other means of support. However, there is another side to this process which sheds light on why migrants keep using brokers.

Case Study 1: Bangladesh

Chapainawabganj in Bangladesh is a high migration district near the border with India, where large numbers of men from farming families migrate to Qatar for construction work. In the Bangladeshi popular discourse, brokers are called Adam Bepari which translates to “traders in human beings” typifying the view which gives all the power to the broker and deprives the migrant of any control over the process. Similar descriptors demonising recruiters are seen in other countries.

The government response has been to heavily regulate or eliminate brokers altogether but this has rarely succeeded. There were several reasons why Bangladeshi men continued to migrate through informal brokers. First, legal migration through the Kafala system is expensive and difficult because their skills may not match the jobs that are available. Secondly, they felt more protected by the “moral contract” with the broker, witnessed by kin and village elders. Third, many wanted to obtain “free visas” i.e. not be tied to a single employer. Although these were completely illegal they offered migrants the possibility of moving on to better jobs through social networks in Qatar and this was possible only through a broker-facilitated irregular migration route.

Even though brokers did not deliver on promises related to wages, working conditions and contracts, the migrants that we interviewed regarded the migration as successful because they had reached Qatar and found work, however exploitative. They had factored in hardship and precarity in the short term to achieve long term goals of improved living standards for their families and better prospects for their children.

Case Study 2: Ghana

Brokerage is widespread in rural-urban migration for domestic work within Ghana but little is known about its workings and implications for the welfare of migrants. Migration from the poorer regions of Ghana in the north to urban areas in the south, especially the capital city of Accra, is an important part of the livelihood portfolio of less well-off families. Domestic work – which is typically low-paid and insecure – is an important source of employment for women and girls from such backgrounds. Their migration and entry into domestic work in southern urban centres is often facilitated and sustained by an entire industry centred around recruitment agencies and their chains of brokers and sub-agents, both formal and informal, as well as migrants' own social networks.

Here too brokers are widely regarded unscrupulous traders who exploit vulnerable domestic workers. However, interviews with migrants, employers and brokers show a complex picture where it is difficult to draw a line between the role of brokers as exploiters and their role as protectors or negotiators on behalf of the workers. While they are certainly responsible for maintaining the status quo by pressuring workers to accept exploitative terms and behave in subservient ways, they also help migrants with settling into urban areas by providing temporary housing and food as well as money for the journey and buying new clothes which they then deduct gradually once the worker starts earning. Brokers also help migrants with bargaining and job-switching for better working conditions.

Brokers are thus an important part of migrants' strategies to negotiate with their employers which they would otherwise struggle with given the highly unequal power relationship. Unlike formal agencies, informal brokers also helped employers with recommendations on character and behaviour which was regarded as very important by female employers when recruiting another female to work in their home.

Case Study 3: Singapore

Singapore is an important destination for migrant domestic workers from poorer countries in the region including Indonesia. There were roughly 125,000 Indonesian maids in Singapore in 2016. Brokerage is endemic along this migration route because of the training, certification and placement procedures which are too difficult and expensive for migrants to negotiate on their own. Often the first point of contact for a migrant is an informal broker in their village who then links up to formally registered brokers on either side of the border. Brokers often pay the costs of migration upfront and while this allows women to migrate with minimal capital outlay (unlike men migrating for construction work who must pay themselves), it binds them to the employer and worker and leaves them with little money or freedom while they are in the first 8-9 month repayment period.

Debt-migration has been compared to modern slavery. However, research with migrant worker and agents shows that debt can both enable and constrain migrants' freedoms – on the one hand migrants are trapped until they repay but in the long term they may improve housing and childrens' education prospects. Scrutinising the circulation of debt between migrant, broker and employer also shows that contrary to their negative image in the dominant discourse, brokers are not simply 'merchants of labour' who seek to maximise profit at the expense of the worker. In cases where a worker defaults on a loan, brokers may distribute the liability to various parties within the migration industry, usually between employers and themselves. This provides a measure of leverage for the worker and may not result in her being penalised for not paying back the loan.

Looking to the future

What is striking is that although all three contexts were very different in terms of culture and the type of migration, there were marked similarities.

The reluctance of migrants and employers to engage with the formal system and their strong preference for informal brokers whom they trusted. There are some context specific differences. In Ghana and Bangladesh, formal agencies are not designed to help migrants with the things that they need most which is someone who can shepherd them through complex procedures, provide financing when needed, provide other forms of support in alien environments, and negotiate on their behalf with employers.

While the money made through migration via brokers may be lower than migrants with formal contracts who find work through official agencies, it is an important means of accessing labour markets that would otherwise be beyond the reach of many would-be migrants. In Singapore, only formal brokers were interviewed and they were sharing the risks of defaulted loans as well as helping migrants to access jobs in accordance with government regulations.

1. Governments should work with civil society to gain a deeper understanding of the support that migrants need along the journey and at destination to find ways of providing such support in accessible ways including cheap loans and accommodation.

2. Researchers should work with civil society to raise awareness in government and the general public about the transformative potential of migration into low paid work and the facilitative role that brokers play in the absence of accessible alternatives.
3. Advocacy organisations working for migrant and labour rights should be sensitised to the transformative potential of migration in reducing poverty, improving educational outcomes and social repositioning in societies at origin.

Finally, policy makers would do well to recognise that brokerage is fuelled by tightening border controls, work permit systems, and unwelcoming urban areas. Launching an attack on brokerage without easing migration barriers will not work. In fact, there may be some lessons from brokerage practice that could help in the development of more migrant friendly procedures and practices. There are strong parallels between the situation seen within and between countries in the global South and what is unfolding now between countries in Europe and Africa. Until such time that legal and legitimate migration is not only a privilege enjoyed by a rich and educated minority, brokerage is here to stay.

Further reading

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About us

Migrating out of Poverty is a research programme consortium funded by the UK's Department for International Development. It focuses on the relationship between internal and regional migration and poverty.