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PLEASE SCROLL DOWN FOR ARTICLE
Cheap and disposable? The impact of the global economic crisis on the migration of Ethiopian women domestic workers to the Gulf

Bina Fernandez

This paper investigates the impact of the global economic crisis on the migration of Ethiopian women domestic workers to the Gulf. It argues that migration as a strategy to cope with existing crises in Ethiopia will be severely constrained by post-downturn policy shifts, which have already produced a significant decline in numbers of recorded migrants and remittances. Evidence suggests the consequence will be an increase in the flows of unrecorded migrants. The conclusion discusses policy responses to mitigate some of the negative consequences of the global economic crisis on the migration of Ethiopian domestic workers.

Key words: Ethiopian domestic workers; Gulf countries; migration; remittances; global economic crisis

Introduction

Official estimates suggest that Ethiopians working abroad (both permanent and temporary) number between 800,000 and 1 million (National Bank of Ethiopia 2006). In 2008, the recorded inflow of remittances from migrants was worth over US$800 million (National Bank of Ethiopia 2008). Unofficial estimates suggest that the figures of unrecorded migrants and informal remittances are at least equivalent, if not higher.

Migrant remittances are crucial to the Ethiopian economy. The recorded remittances in 2007, of US$359 million surpassed the foreign direct investment (FDI) of US$223 million (World Bank 2009). If flows through unofficial channels are accounted for, the International Monetary Fund (IMF) estimates that remittances contribute between 10–20 per cent of Ethiopia’s US$13 billion annual gross domestic product (GDP) (Yau and Assefa 2007; cited in Campbell 2009, 19). The devaluation of the currency in late 2008 was a government measure to address inflation and a declining balance of payments, and also ensure the continued flow of remittances by making it more attractive for migrants to send money.
This paper presents a case study of the impact of the economic crisis on the migration of Ethiopian women domestic workers to countries in the Middle East. In Ethiopia, migration has become an important strategy to cope with the multiple crises of recurrent famines, conflicts with neighbouring states, political repression, and high unemployment that many Ethiopians have experienced over the past few decades.

The money sent by migrants working abroad makes a significant contribution to the ability of migrants’ families and dependents to survive economic crisis. It also contributes to the overall resilience of the national economy. How will the global economic crisis that began in September 2008 affect this? This article considers the possible answers to this question. The first section describes how Ethiopian women domestic workers end up working in the Middle East, discussing the channels and routes of migration. The second section discusses their experience of work, focusing on the two primary destinations of Saudi Arabia and Kuwait, the primary factors that ‘pull’ women domestic workers to these destinations; and the working conditions women experience there. The third section looks at the likely short- and long-term consequences of the economic crisis for this means of making a living. The final part of the article looks at the various responses to the crisis which are possible to protect migrant domestic workers from the potential negative consequences of the downturn, and emphasises the importance of monitoring policy changes in the wake of the crisis in both Ethiopia and destinations in the Middle East.

An analysis of the impact of the global recession on the stocks and flows of Ethiopian emigrants and their remittances would require disaggregation by migrant destination countries, types of workers (legal or irregular, short- or long-term, male or female, skilled or unskilled) and sector of work being examined.

The article draws on primary research in Addis Ababa in two phases (April and July–August 2009). The objective of the research was to examine a migration trajectory that has received relatively little attention, and was prompted by my own observation of this phenomenon during my visits to Ethiopia. The research design included 15 semi-structured interviews conducted with return migrant women. These interviewees had all migrated for work already, at least once, and were now heading out on their second or third employment contracts. I found women to interview by three methods. First, employing a snowballing technique, women were contacted through personal networks. Second, contact was established with women via private employment agencies. Third, links were made with women who attended the pre-departure orientation sessions organised by the Ministry of Labour and Social Affairs (MOLSA). Informal group discussions with some of these women led to in-depth interviews with those who were willing. Additionally, 15 key interviews were conducted with the owners or managers of employment agencies and with government and non-government representatives.
Ethiopian women’s migration to the Middle East

The initial surge of Ethiopian women’s migration as domestic workers began to Lebanon, as early as 1989 (Beydoun 2006). In 2008–2009, Saudi Arabia and Kuwait emerged as the top destination countries, absorbing 61 per cent and 33 per cent respectively of recorded Ethiopian migrant domestic workers. Most women migrants are employed in the service sector (primarily as domestic workers), and are from Asia (the Philippines, Indonesia and Sri Lanka). A growing number of migrant domestic workers in the Gulf Co-operation Council (GCC) are from Ethiopia, Eritrea, Sudan and Egypt (Sabban 2002, 10), reflecting a shift to cheaper sources of labour.

The demand for migrant domestic workers can be explained first by the ‘social compact’ (Baldwin-Edwards 2005, 27) between the Gulf monarchies and their populations, whereby the latter acquiesced in regime legitimacy as long as revenues from oil sales were used to subsidise state welfare systems since the 1970s (Nonneman 2008, 6). The Gulf countries sanctioned the import of migrant labour for the ‘dirty work’ that nationals did not want – construction work and service sector work. Migrant domestic workers can thus be seen as part of an ‘unspoken “bargain”’ between the state and the emerging civil society, by which the state provides a leisureed life in exchange for complete political control (Sabban 2002, 11). Foreign domestic workers are a status symbol of this life of luxury, and are ordered in a racialised hierarchy, with Filipina women at the top signalling the highest status and commanding the highest salaries, followed by Indonesian and Sri Lankan women, and African women at the bottom.

The second contributory factor to the growth of the demand for migrant domestic workers is the Khafala system of short-term, contract migrant labour recruitment that is unique to the GCC countries. The Khafala is the sponsor-employer of migrants, without whom they are unable to obtain a work visa. Workers’ legal presence in the country is tied to the Khafala, who invariably confiscates their passports in order to control them better, and they are unable to change employer. This leaves domestic workers particularly vulnerable, as they are isolated within homes. Despite the reported abuses, and calls for its abolition, the Khafala system flourishes because it is a lucrative business opportunity for ordinary citizens who engage in the business of selling sponsorships (Baldwin-Edwards 2005), even if they are not direct employers, as well as for the migrant workers who enter the country under the system.

Routes of migration

There are three channels of migration to the Middle East. The first is ‘public’ migration, a misleading official label that is in contrast to the typical understanding of ‘public’ migration as government organisation of migrant labour contracts with destination countries. Public migration in Ethiopia occurs when individuals are officially
registered as migrant workers with MOLSA, but secure work contracts abroad through their personal contacts. The second channel is through one of the 110 legally registered ‘private employment agencies’ (PEAs). The PEAs secure contracts for domestic workers with employers in the Middle East, either directly or indirectly through recruiting agencies in the destination countries. Many PEAs unofficially charge women between 2,000 and 8,000 Ethiopian Birr (US$200–800) for their services, even though the cost of a return ticket, visa and insurance are supposed to be borne by the employer, and women are only supposed to pay for their passports and medical examination.

Together, the public and PEA channels constitute recorded migration from Ethiopia, as these migrant workers are required to register their employment contracts with MOLSA (personal communication from MOLSA, 2009). Currently, over 30,000 women annually pass through these two channels, accounting for 96 per cent of recorded labour migrants (MOLSA 2009). Unofficial estimates by MOLSA officials during interviews indicate that an equivalent 30,000 migrants (at least) pass through the third channel of migration, using the services of illegal brokers. These illegal brokers may be individual operators, or legally-registered companies that illegally provide employment brokerage services to migrants.

Both the PEA owners and illegal brokers are predominantly Muslims. Many of them are also traders involved in the (legal and illegal) import and export of commodities, travel and tourism, and informal financial services (hawala). They have used their trading networks to facilitate contacts with labour recruiting agencies in the Middle East, and thus diversify into the trade in people. These trade networks are based on trust, and the ‘social capital’ of personal, kin, language- and religion-based relationships (Little 2005).

The importance of having prior trading links in the region is illustrated by the Ethiopian woman owner of Sabrine PEA (one of the oldest and largest agencies), who capitalised on the trade contacts of her Yemeni husband in the Middle East. As her husband stated: ‘I am in the business of exporting cattle from Ethiopia, while my wife exports women – and let me tell you, it is easier to export cattle [because there are fewer government regulations to comply with]’ (interview, April 2009, Addis Ababa).

The importance of Muslim social networks was evident when an illegal broker interviewed said that although he was Christian, he went by the name Mohammed, and adopted Muslim greetings and behaviour when dealing with his contacts (interview, April 2009, Addis Ababa).

The legal migration route requires all women to register with MOLSA and provide proof of an employment contract, a work permit for the destination country, a medical examination certificate, and insurance. It is also possible for women legally to exit Ethiopia on tourist visas, or on Haj and Umrah visas to Saudi Arabia. They overstay their visa period, and either find an employer who will regularise their status in the destination country, or live and work illegally under the continuous threat of
deportation. The majority of other undocumented migrants exit the country overland, via Dire Dawa and Hargesa in the south-east of Ethiopia, across to Bossasso on the coast of Somalia, and then overseas to Yemen (Endeshaw et al. 2006). Saudi Arabia is the intended destination of most of these undocumented migrants. However, the illegal brokers operating along this route are brutally exploitative, stripping prospective migrants of all their money and often abandoning them in the desert before they even reach the coast of Somalia. Large numbers of prospective migrants do not make it across to Yemen, and are deported back to Ethiopia before boarding the boats at Bossaso (ibid.). Many women who do manage to reach Yemen are marooned there, neither able to return to Ethiopia because of the exit fine payable to the Yemeni government because of their illegal migrant status in the country, nor able to undertake the even more dangerous and expensive next stage of the journey overland to Saudi Arabia (de Regt 2007).

Who are the migrants, and why do they go?

A statistical profile of documented women migrant domestic workers from Ethiopia in 2008–2009 (MOLSA 2009) reveals that:

- 91 per cent of the women were single
- 83 per cent were in the 20–30 age group
- 63 per cent had some secondary education, 26 per cent were illiterate
- 71 per cent were Muslim
- 93 per cent earned US$100–150 per month.

The profile of the typical migrant that emerges from official migration data is of young, unmarried Muslim women with some secondary education. All the women I interviewed said that seeing how friends and neighbours had benefited economically from migration provided strong motivation for them initially to embark on the journey. In Ethiopia, most of the population is occupied with earning a living in the informal economy, and there are very low employment prospects within the public sector for young women with secondary education. This, allied to the greater social acceptability for young Muslim women of employment within the private sphere of the household, and the lack of lucrative income-generating activities in the informal sector in Ethiopia leads many young Muslim women with secondary education to see migration as domestic workers as the best available economic opportunity. The network of Muslim agencies and brokers engaged in the trade in migrant labour plays a key role in facilitating the migration of these young women.

However, while the interviews and group discussions confirmed that most migrants were indeed young, unmarried Muslim women, I found that the total
picture was more complex and nuanced. Orthodox Christian women were also seeking work as domestic workers. Some of them pretended to be Muslim while in employment, and one woman stated she was forcibly converted to Islam by her employer.

I also interviewed two married Muslim women, who said they were going to Saudi Arabia to join their husbands, who were already working there.

A majority of the interviewees stated that they sent all, or nearly all, of their salary home, to support their ageing parents, siblings, and other family members. Their migration can thus be viewed as a family livelihood diversification strategy to cope with crisis. There is a strong cultural expectation that these young women should shoulder this responsibility. Some of the young women I interviewed had decided that since the first round of remittances had gone to their families, they would in future aim to keep some savings for themselves, to invest in a business on their return. Only three of the women had already made investments from their earnings — two had built houses that were rented out, while the third had opened a small shop. A couple of the interviewees who appeared to be from better-off families, were free to spend their salaries as they wished, on clothes and gifts. The degree to which earning money as migrants was empowering for these women was, of course, mediated by their individual experiences of working conditions in the destination countries.

Destination Middle East: working conditions for domestic workers

Notwithstanding the stipulations of the work contract that ostensibly protect their rights as workers, the working conditions of Ethiopian women are similar to those of other migrant domestic workers in the Middle East (Human Rights Watch 2008; Essim and Smith 2004; Jureidini 2002; Abou-Habib 1998) and can be considered a form of ‘contract slavery’ (Bales 2004; Jureidini and Moukarbel 2004).

As live-in domestic workers, women reported, in the interviews I conducted in Addis Ababa, being on-call 24 hours a day, 7 days a week, and working between 10 and 20 hours daily. Some interviewees reported doing double duty — that is, cleaning or doing laundry for a second household, usually a relative of their employer. While some are fortunate to get half a day or a day off a week, many women get only one day off a month, or no break at all. Recounting her experience, one woman spoke of how her complete physical exhaustion from the lack of any break after four years working for a household in Dubai led to a mental breakdown, in which she was totally disoriented and could not tell what day of the week it was, or what time it was (interview, July 2009, Addis Ababa).

Verbal abuse by employers is commonplace, and several interviewees experienced racial insults and discriminatory behaviour (such as separate food and dishes for them) (interviews, April and July 2009, Addis Ababa). While physical abuse was not reported by any of the interviewees, they all asserted that other Ethiopians they knew had experienced physical and sexual abuse. Similarly, although none of the
Interviewees in this study reported wage exploitation, other studies document the non-payment or under-payment of wages to migrant domestic workers (Essim and Smith 2004; Kebede 2001).

Escaping from exploitative and abusive working conditions, some Ethiopian women become ‘runaways’. They find shelter with other women, who live together in small rented rooms, and take on jobs as ‘freelancers’ – working as live-out domestic workers, brewing and selling illicit liquor, or engaging in sex work. Their lack of legal status makes them vulnerable to greater exploitation if they are detected, as they risk blackmail, imprisonment, and/or deportation. If they wish to leave voluntarily, they often have to pay high fines for exit visas. Notwithstanding these risks, they can often earn more, and have greater freedom of movement. However, the term ‘runaway’ was used in a pejorative sense by one Ethiopian government official and several of the PEA representatives during interviews, to describe these women as delinquents who abandon their contractual responsibilities because they do not want to work hard, and want an easy life.

In a significant policy move after several years of deliberation, in July 2009 the Shura Council of Saudi Arabia passed a bill that ‘would require employers to give domestic workers at least nine hours of rest every day, suitable accommodation, and rest breaks’ (Human Rights Watch 2009). While this is a welcome initiative to protect the labour rights of migrant domestic workers, there are still concerns about ambiguous provisions of the bill such as the ‘duty to obey employers’ orders’ and a prohibition against leaving the place of employment without a ‘legitimate reason’ (ibid.). In Kuwait too, after years of revisions, a proposed law introduced in December 2009 would be the first major update of Kuwait’s 1964 Private Sector Labor Law. It heralds the abolishment of the Khafala sponsorship system and the establishment of a new agency to manage recruitment of migrant workers; although unfortunately, the legislation does not recognise domestic workers (Human Rights Watch 2009). Future developments of these legislative initiatives in Saudi Arabia and Kuwait need to be closely monitored and analysed for their potential impact on Ethiopian migrant domestic workers.

The impact of the global downturn

Initially, the impact of the global downturn on the GCC countries was uncertain and mixed (Martin 2009; Fix et al. 2009). However, the collapse of oil prices, and the contraction of international credit markets and global demand has led to a revision of the IMF growth projection for GCC countries, from 3.5 per cent in February 2009, to 1.3 per cent, with an expected shrinkage of the Saudi and Kuwait economies by 0.9 and 1.1 per cent respectively (Billing 2009).

The global crisis has exacerbated an existing situation of high youth unemployment in the GCC countries, and a growing demand for nationalisation of the workforce...
through the reduction of migration (Pakkiasamy 2004). This has led to tightened control over the entry of migrant workers, particularly in Saudi Arabia, which has produced a drop in the numbers of Ethiopian women migrants since June 2009 (see Figure 1). In Saudi Arabia, the move towards ‘Saudisation’ of the work force has led to the recruitment of Saudi women for the first time, as domestic workers (BBC News 2009). However, though pressures for nationalisation of the workforce might result in the tightening of borders to migrant workers in the short term, it is likely that over the long term, the demand for migrant domestic workers in the service sector would remain ‘recession-proof’. Unlike the situation in the global North, this continued demand will currently be driven by the ‘social compact’ in GCC countries, rather than demographic changes, in particular because domestic work is considered shameful by citizens (ibid.), and there is a continuously expanding frontier of cheap labour from developing countries.

As argued earlier, migrant remittances are crucial to the Ethiopian economy. With the onset of the global recession, there has been a 20 per cent decline in recorded remittances from US$812 million in 2008, to US$645 million in 2009 according to data held by the National Bank of Ethiopia (see Figure 2).

The recorded remittances in 2007, of US$359 million, surpassed the FDI of US$223 million (World Bank 2009). If flows through unofficial channels are accounted for, the IMF estimates that remittances contribute between 10 and 20 per cent of Ethiopia’s US$13 billion annual GDP (Yau and Assefa 2007; cited in Campbell 2009, 19). The devaluation of the currency in late 2008 was a government measure to address

Figure 1: Documented Ethiopian migrant workers.
Source: Ministry of Labour and Social Affairs.
inflation and a declining balance of payments, and also ensure the continued flow of remittances by making it more attractive for migrants to send money.

A decline in remittances is not only a concern for Ethiopia’s national accounts. At the household level, remittances in Ethiopia are used as a ‘risk-sharing mechanism for self-insurance against shocks of various kinds’ (Aredo 2005; cited in Reinert 2007, 78). Remittances are assuming greater significance during the global recession, as they provide a buffer for family survival at a time when soaring inflation has once again assailed the Ethiopian economy, particularly affecting food and fuel prices in the past year. This may partially account for the rise in the numbers of migrant workers in the initial months after the downturn (see Figure 2), as increasing numbers of women may have turned to migration as an alternative.

Now, more than ever, the regulation of migration and remittances – particularly unrecorded remittances – is firmly on the agenda of the Ethiopian government. In July 2009, the government introduced major amendments to the Private Employment Agency Proclamation of 1998, stating that its objective was to improve protection for migrant workers, in particular women.

However, the Ethiopian government lacks negotiating power with the governments of destination countries, and also lacks the ability to control illegal brokers. Hence, the measures for improved protection largely relate to increased regulation of the PEAAs. In an interview, the manager of the Ethiopian Association of PEAs described the revised legislation as ‘over-regulation’, as it not only makes PEA owners pay a larger security
deposit of between US$30,000 and US$50,000 in cash, but also makes them legally liable as employers for the women they recruit. He predicted that as a result of this squeeze on legal PEAs, it is likely that more of the trade in migrants will be driven underground: ‘Almost three-fourth of the existing agencies cannot deposit this sum of money, so they would go underground and become illegal, rather than work as a legal agent’ (interview, July 2009). Indications of the rise in the illegal border crossings are the recent UNHCR figures, documenting a 50 per cent increase in the numbers of people crossing the Gulf of Aden to Yemen. Over 74,000 people risked their lives to enter Yemen en route to Saudi Arabia in 2009, of which 42,000 were Ethiopians (Fortune 2009).

A crackdown on illegal money exchangers is another recently introduced measure to ‘capture’ hawala transfers.

As a result of these dynamics, there is likely to be a future increase in the numbers of unrecorded migrants. First, rising prices in Ethiopia post-global downturn will make it likely that more women will seek migrant jobs, as this is a coping strategy undertaken by families to manage conditions of multiple internal crises (rising prices, unemployment, famine, political instability). Second, however, the recent legislative squeeze on legal PEAs and the post-downturn slowdown of legal migration to Saudi Arabia will produce a constriction in the legal channels of migration. This will produce a rise in the numbers of attempted migration through illegal routes, as there has been no significant amelioration of the conditions that generate the outflows of people.

Conclusion

The consequences may be that international migration can no longer be relied on as a buffer strategy to cope with existing crises of different kinds. The combined impact of rising prices and a substantial decline in remittances will mean that family survival will be under considerable pressure. Clearly, women in households will increasingly become the last resort buffers under these conditions. More women might seek employment in the informal sector, which may have a ‘crowding out’ effect of driving down the already low wages and remuneration in this sector. Within households, there may be deterioration in the nutritional and health status of women and girls, and a de-prioritisation of girls’ education.

However, on the positive side, despite the fall in the numbers of migrant domestic workers to Saudi Arabia indicating that Ethiopian domestic workers might be more ‘disposable’ during the downturn; the ‘social compact’ in the Gulf countries suggests that this might be a short-term reversal. The demand for domestic workers, particularly Ethiopian ones, is likely to continue in the long term, as they are ‘cheaper’ and perceived as more compliant than domestic workers from the Philippines and Indonesia.

Policy responses to mitigate some of the negative consequences of the global economic crisis on the migration of domestic workers need to be considered in both
Ethiopia and the destination countries. Ethiopia first needs to focus on enhancing social protection measures such as direct assistance (through cash and asset transfers, school fee waivers) and insurance (health and unemployment) that would enhance the buffer capacity of families to withstand crises. While such measures might be limited owing to resource constraints of the Ethiopian government, low investment, small-win proposals could build on existing initiatives. Currently, MOLSA has a compulsory, pre-departure orientation programme for all registered migrant workers, and awareness-raising campaigns by the police and the Ministry of Women’s Affairs inform prospective migrant domestic workers of the dangers of seeking employment abroad through illegal agents. Both programmes could be expanded and the co-ordination between these different government departments strengthened. Other proposals include support for an Ethiopian migrant women workers organisation that would have branches in the destination countries, encouraging banks to make it easy for migrant women to open savings accounts and to transfer money to them, and strengthening the co-ordination between MOLSA and embassies in destination countries.

In the longer term, the Ethiopian government needs to consider whether to step up its role as a ‘labour brokerage state’ (Rodriguez 2008), along the lines of the Philippines’ Overseas Employment Administration Agency (POEA). In order to secure the interests of 1.5 million Filipino workers in over 190 countries, President Arroyo directed the POEA to adopt a strong proactive role and ‘execute a paradigm shift by refocusing its functions from regulation to full-blast market development efforts’ (POEA Annual Report; cited in Fix et al. 2009, 43–4). The establishment of an equivalent agency in Ethiopia, to invest in skills training of Ethiopian women and promote their employment in different countries, would strengthen the bargaining position of these women abroad.

Improving the employment conditions of Ethiopian migrant domestic workers in the Middle East assumes greater significance during an economic downturn, as the downturn may deepen the disregard for migrant women’s rights as workers and human beings. The results may be a deterioration in working conditions, and an intensification of exploitative practices, such as being forced to work for two households for the same pay, or being denied wages. More women may also overstay their visas and work permits in these countries, for fear of not being able to return legally, swelling the ranks of ‘runaways’ or undocumented workers. These women will be particularly at risk of deportation and abuse, particularly if there is a post-downturn intensification of xenophobia against foreign workers.

In GCC countries, the content of policies that would improve the working conditions of Ethiopian migrant domestic workers are the recognition and protection of the rights of domestic workers under labour and human rights law, reform of the Khafala system to allow for untied labour contracts, the decriminalisation of ‘runaways’ and improved co-ordination with sending countries. These reforms are
the minimal demands of advocates of policy change in the Gulf (Essim and Smith 2004; Human Rights Watch 2008), which must be vigorously re-emphasised at this juncture to prevent back-sliding during the downturn.

Whether the downward shift in flows of migration and remittances along this particular trajectory is short-term and cyclical, or long-term and structural, will depend largely on the combination of policies put in place in both sending and receiving countries. In either case, it is essential to monitor the policies introduced, and do a gender analysis of their potential consequences, to ensure migrant women workers do not disproportionately bear the negative consequences of the downturn.

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Note

1 The bond is a financial guarantee that the PEA is expected to provide to the government, as an insurance against any costs of repatriation of workers that the government might have to bear. In the old legislation, it was possible to furnish this bond or guarantee from the financial institutions or insurance companies by mortgaging property (house or vehicle). According to the new draft, PEAs have to deposit the cash in the bank

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