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China’s Foreign Energy Quest and the Changing Security Dynamics in ASEAN

Farizal Mohd Razalli

China’s foreign energy quest is changing the security dynamics in ASEAN. China critically needs secure energy supplies to fuel its continued economic growth. China became net-importer of oil in 1993 and jumped from 7th largest oil importer to 4th in 2010. Its consumption of oil is second only to the US. China’s extravagant economic growth, its soaring demand for oil and its lack of sufficient indigenous energy supplies is fundamentally shaping its foreign policy. China seeks to secure its foreign oil supply by proactively pursuing strategic bilateral relations with key energy producers. This has made China an active player in Central Asia, Africa, Latin America, and Southeast Asia.

China’s quest for foreign energy is clear in its unconditional government and foreign policy support of national oil companies venturing into the international energy market. A rapidly expanding literature on Chinese foreign policy cites the central importance of energy security as a motivator of China’s “going-out” strategy. Much of the discussion still focuses on the implications for the Western hemisphere. Recent publications addressing implications of the rise of China for Southeast Asia emphasize India – ASEAN and ASEAN +3 relations. Comparable work on the implications of China’s energy security policy on ASEAN regional security concerns have yet to appear. While these changes might positively enhance regional security, ASEAN must systematically assess the challenges posed by China’s going-out strategy. Energy issues will increasingly define how ASEAN deals with other inter- and intra-regional security issues, resulting in a potential shift in regional security dynamics.

Is China’s energy deficit a blessing in disguise? According to a US Department of Energy (DoE) estimate, China will account for more than 20% of total world energy consumption by 2030 – a significant jump from 15.6% in 2006. A proportionate increase in Chinese energy production is unlikely. China’s oil industry produced only half of what it consumed in 2006 and by 2030 that figure will fall to only about one-third. At present, China represents around 9% of world total petroleum consumption and this figure is trending upward to reach around 13% by the year 2030.

This voracious demand for oil and other energy fuels is directly proportionate to China’s flamboyant annual GDP growth rates of 9-10% over the past two decades. China, incapable of oil/energy self-sufficiency, is finding it increasingly difficult to meet this high demand for oil and is expected to face shortages of close to 11 million barrels of oil per day by 2030. The obvious solution for China’s declining domestic production is to compensate through securing access for foreign sources.

This energy vulnerability poses a threat to China’s economic well-being. The communist government has responded with a three-pillar energy policy: 1) enhancing domestic supply through new exploration and production; 2) securing overland supply through bilateral and multilateral energy transportation arrangements; and 3) diversifying sources of supply from as many different parts of the world as possible. This places increasing importance on securing readily available and price-competitive foreign energy supplies as part of its long-term strategy.

China imported 3.6 million barrels per day (bbl/d) of oil in 2008, 1.8 million bbl/d of which (50%) came from the Middle East and another 1.1 million bbl/d (30%) from Africa. A combined total of 0.1 million bbl/d, came from the Asia Pacific region (ASEAN included). China is also increasing its natural gas imports to meet domestic demand. In 2007, China imported some 140 billion cubic feet (bcf) of liquefied natural gas (LNG). This total is expected to increase as international gas pipelines into China come on line. This highlights two important changes to the security dynamics in ASEAN. First, it is in China’s strategic interest to secure safe passage for its oil imports from the Middle East and Africa; and fully 80% of its oil imports currently pass through the Strait of Malacca. Second, the construction of transnational oil and gas pipelines linking mainland ASEAN with China will increase that sub-region’s political and economic importance in Chinese security strategy.

Militarizing the Strait of Malacca. The littoral states along the Strait – Malaysia, Indonesia, and Singapore – have stepped up their patrol capabilities in light of the increase in oil tanker traffic passing through the Strait and its vulnerability to terrorist attacks. The resulting demand for trained personnel and cutting-edge surveillance and patrol equipment places a severe strain on limited resources in these states. The increasing volume of oil (not to mention other goods) transported through the Strait of Malacca (to perhaps 21 million bbl/d by 2030) will require more international cooperation to ensure the Strait’s security.

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In an unprecedented step, China recently deployed its navy to counter piracy in waters off Somalia, signaling Beijing’s determination to protect its strategic maritime interest. China’s navy has also been closely monitoring disputed territories of the South China Sea and is poised to make its presence felt in waters, like the Strait of Malacca, that it regards as of vital strategic and economic importance. The United States and possibly India, will likely respond to Beijing’s new naval assertiveness in securing key sea lanes like the Strait of Malacca with their own counterbalances. This risks ASEAN waters becoming increasingly ‘militarised’.

A ‘militarized’ Strait of Malacca might not be all bad. By enabling ASEAN littoral states to “free-ride” Chinese and US naval patrols of the Strait, it could enhance security and reduce the financial strain on ASEAN countries. In the mid- to long-term, however, such a course would put ASEAN in the middle of a Sino-US competition for influence and control over regional waters. ASEAN littoral states may have no choice but to link their security to the interests of these two powers, but doing so threatens to limit their flexibility and autonomy in formulating their defense and foreign policies.

Beyond Pipeline Diplomacy. The Great Mekong countries (Cambodia, Laos, Myanmar, and Vietnam) are crucial oil and gas suppliers for China. At first glance, this region seems no competitor for other oil and gas producing regions like the Central Asia, but a closer look at its energy links with China suggests otherwise. First, it is China’s strategic southern backyard, and this relatively stable and hydrocarbon-rich northern ASEAN is a blessing for China. Second, the overland route that connects China with these states makes it a convenient and reliable source of strategic resources.

Northern ASEAN countries have received billions of dollars in energy investments from China, including US$1.33 billion to Myanmar and US$6 billion to Vietnam since 2006. Several mega pipeline projects are underway to connect the Mekong region and China and supply gas and oil directly from production fields to Chinese consumers.

From the trade perspective, China’s transnational pipeline investments are a cause for celebration. The gas and oil trade brings badly needed cash that can contribute to development in the northern ASEAN countries, including in downstream economic sectors. Urbanization of underdeveloped parts of Myanmar and Cambodia, for instance, can speed up economic development in these countries.

Such positive benefits should be assessed with caution. While economically beneficial, pipeline construction may be politically risky. Oil and gas pipelines are convenient targets among terrorists and rebel groups that are commonly found along the borders of northern ASEAN countries. Defense of transnational pipelines can drive high-level diplomatic disputes and undermine trust and confidence between parties involved and could lead to political collisions and tensions between the concerned countries.

Of more security and political concern for ASEAN is the fact that China’s pipeline diplomacy comes with strings. To secure its pipeline investments, Beijing seeks influence in recipient countries’ domestic politics. In Myanmar and Cambodia, for example, Beijing is determined to secure access to oil and gas by advancing local regimes’ interests through diplomatic incentives. Countries like Cambodia could fall victim to the ‘resource curse’ that has dogged so many developing nations: newly oil-rich regimes plagued by endemic corruption, fragile state institutions, and sluggish growth despite vast earnings from oil. Cash-rich China justifies its energy investment projects as overseas development aid (ODA) for some of ASEAN’s undeveloped countries, but such economic diplomacy is also a important covert tool for achieving myriad strategic national interests.

Conclusion. China now sees economic growth as an existential requirement. Beijing sees securing critical foreign energy resources as a vital interest and will not hesitate to undo its benign foreign policy principles if necessary to maintain its economic survival. China’s foreign energy quest directly affects ASEAN by changing security dynamics across the region with both positive and negative implications for ASEAN’s security landscape.

Preventing China and the United States from developing a naval presence in the Strait of Malacca is beyond ASEAN’s capability given the strategic interests and influences of both powers. ASEAN can, however, manage the risk involved by restricting that naval presence to cooperative patroon in while enhancing its own regional surveillance and security cooperation by pooling resources in a more effective manner. Each member country needs reaffirm this common regional goal and the importance of advancing it with minimal intervention by extra-regional Powers.

ASEAN, in reasserting its non-interference policy, is not dictating its northern members’ foreign policy, but it does have an obligation to encourage its northern members to keep a rational and objective view of the pros and cons of their trade relations with China. The temptation of oil and gas profits should not undermine ASEAN’s commitment to democratic reforms and political integrity. The more developed ASEAN countries should engage their less developed partners – including in joint hydrocarbon exploration and production projects – to balance China’s growing economic and political influence in the region.
The Six Party Talks as Theatre

Ralph Hassig

In early in December 2009 the U.S. Government point person on North Korean affairs, Ambassador Stephen Bosworth, traveled to Pyongyang to try to convince the North Koreans to return to the six-party talks. As is well known, the talks, attended by the United States, Japan, South Korea, China, Russia and North Korea, began in August 2003 in an attempt to re-engage North Korea in nuclear nonproliferation negotiations after the US-DPRK Agreed Framework collapsed in late 2002. After attending a dozen meetings, the North Koreans, angered by a UN resolution condemning their recent rocket launch, declared in late April 2009 that they would “never” participate in the talks.

Since the Barack Obama administration took office in February 2009, American officials had insisted that North Korea return to the talks, refusing to engage in any other form of dialogue with them. Thus the two sides reached an impasse. As usually happens, the more patient of the two parties—in this case, the North Koreans—won the battle of wills, and in September 2009 a Washington official said that the United States “was prepared to enter into a bilateral discussion with North Korea . . . designed to convince North Korea to come back to the six-party process.” The official added, defensively it would seem, that “any discussion we would have with North Korea will be in the context of the six-party process.” Thus the administration could stick to its original stipulation that it would not talk with North Korea except at the six-party talks, while allowing for bilateral dialogue “in that context.” The North Koreans, in turn, told a visiting Chinese delegation led by Premier Wen Jiabao that they would agree to engage in multilateral talks, including six-party talks, if the United States first satisfied them on several points in bilateral meetings. Wen offered the opinion that within the six-party framework bilateral talks were an important dialogue mechanism. So everyone saved face.

This compromise may pave the way to resuming the talks, which on almost all counts have been a failure. Since the early 1990s, the United States has been trying to get the Kim regime to agree to verifiably end its nuclear weapons program. Some American officials naively believed that the Agreed Framework of 1994 would do the job, although historical evidence supports the claim that the Kim regime under father and son has been committed to building a military nuclear program since at least the mid-1980s and has no intention of giving up now. As an inducement to denuclearize, since 1994 the United States, South Korea, and Japan have spent over two billion dollars to provide construction and energy supplies to the North Koreans. What the secretive Chinese may have offered is hard to tell. Unfortunately, by early 2010 the Kim regime has accumulated more fissile material and nuclear weapons than it had in 1994 or before the six-party process began, and today few North Korea watchers believe the Kim regime will ever completely denuclearize. However, this almost unanimous expert opinion does not prevent diplomats from continuing to pursue a denuclearization agreement.

Why is the United States so eager to restart talks that have failed in the past? One possibility is that, although the United States and the other countries have repeatedly insisted that they will not tolerate a North Korean nuclear arsenal, the United States might in fact be willing to negotiate a reduction rather than an elimination of North Korea’s nuclear arsenal. This, in any case, is a justification that has been widely, but unofficially, offered for engaging in the talks, and it is also the defense that Clinton Administration officials made for reaching an agreement in 1994.

A second, and arguably more important, reason that the United States chases after talks that have produced so few results is that the talks provide a ready excuse for not having already stopped North Korea’s nuclear program. As long as the talks continue, the United States and its partners in negotiation can claim that they are actively dealing with the issue. As Secretary Clinton said in July 2009 on the subject of North Korea, “Cultivating these partnerships and their full range takes time and patience.” This sentiment was echoed by Ambassador Bosworth after his December meeting in Pyongyang, when he said, “This may be a time to exercise a bit of strategic patience.” The great advantage that the six-party talks have over bilateral talks is that each of five countries can point to the participation of the other countries as a way to avoid taking full blame for failure. If the United States cannot disarm the North...
Koreans, one can hardly say that American policy is uniquely at fault as long as the Japanese, South Koreans, Russians, and Chinese, who are all ostensibly working for the same goal, have also failed.

The North Koreans have all along been very clear about what it will take to get them to give up their nuclear weapons. Since the beginning of the talks, they have said that only when the United States ends its hostility toward them (or more accurately, toward the Kim Jong-il regime), will they feel comfortable relinquishing their nuclear “deterrent.” They call this the “bold switchover” requirement.

The likelihood that the United States will substitute friendship for hostility toward the Kim regime is very low. One can be sure that the North Koreans interpret a switchover as requiring that the United States, at the very least, normalize diplomatic relations, sign a peace treaty, end its security alliance with South Korea, remove U.S. forces from Northeast Asia, support North Korea in its request for tens of billions of dollars in loans from international financial institutions, and cease all American criticism of North Korea’s domestic policies, including its economic and human rights policies. In short, North Korea would want “most favored nation” political and economic treatment. Anything short of this cornucopia of carrots would provide a sufficient excuse for Pyongyang to renege on any promise to denuclearize.

So the theater that is the six-party talks is likely to continue, at least until the international and domestic audiences get tired of the performance. But before the talks can be convened, we can look forward, as a curtain raiser so to speak, to bilateral talks between the United States and North Korea, which are the only kind of talks the North Koreans have ever wanted anyway. By pulling out of the six-part talks and sitting on their hands for a year, they have changed the goals that the United States can reasonably expect to reach. Now, instead of negotiating over North Korea’s nuclear weapons program, the Americans will be negotiating over whether North Korea will even agree to discuss its nuclear weapons program. In their news coverage of the Bosworth visit, the North Koreans said that the two sides “had a long exhaustive and candid discussion” on wide-ranging issues, including the conclusion of a peace agreement, the normalization of bilateral relations, economic and energy assistance, and (finally), the denuclearization of the Korean peninsula.

In order to get them to return to the talks, the United States will have to offer the North Koreans at least some political incentives, and one or more of the other five countries will almost surely find it necessary to offer economic incentives, and may already have done so. These rewards will be money in the bank for the North Koreans, even if they don’t make a single nuclear concession in the talks.

At this writing, in early June 2010, we cannot know when the talks will resume. What we can know beyond a shadow of a doubt is that the North Koreans will not, in the foreseeable future, abandon all of their nuclear weapons. For that to occur, the Kim regime and any like-minded successor regime will first have to be replaced, but that is not a goal that any of the five other parties are interested in pursuing.
The History of CBRNE Incidents in Japan

Naoko Noro, Shinsuke Tomotsugu, Katsuhisa Furukawa

The general perception of Japan, at home and abroad, is as a safe country, relatively free from terrorism or crime. The RISTEX Non-State Actors’ CBRNE database, however, challenges that view: between 1930 and June 2010, there were at least 502 incidents by non-state actors involving chemical, biological, radiological, nuclear or explosive materials/devices (CBRNE). Among these, 106 could be categorized as terrorism and 254 as criminal activities. The agents used include: explosives, 275; chemicals, 103; biological agents, 39; and nuclear/radiological materials, 85 (numbers include attempted incidents, either failed or planned only).

Since at least 1950, long before the Internet age, through to today, individuals and illicit groups in Japan had already developed a remarkable variety of improvised explosive devices. For example, triacetone triperoxide (TATP) has been often synthesized and employed by individuals in Japan since around 2002, well before its infamous use in the July 2005 terrorist attacks on London. Japanese individuals and groups are also known to have synthesized military grade RDX.

Some Japanese terrorist organizations can be called the “trend-setters” of international terrorism. The Japan Red Army (JRA) is notorious for reaching out to cooperate with other terrorist organizations well beyond its own regional boundaries. In early 1970s, the JRA launched terrorist attacks on behalf of the Popular Front for the Liberation of Palestine. In the 1980s, the JRA, under the alias of the Anti-Imperialist International Brigades, carried out terrorist attacks on behalf of a new patron, Libyan leader Muammar Qaddafi. By the late 1980s, other Japanese violent extreme leftist groups had developed a variety of terrorist tactics many which are now commonly used by terrorist groups around the world including simultaneous attacks against symbolic targets and second wave attacks against first responders responding to an initial incident.

The first terrorist organization to become obsessed with acquiring and using WMDs was Aum Shinrikyo, an obscure Japanese religious cult. Aum launched two attacks using Sarin. According to the most recent police records, the first killed 7 and injured 274 in Matsumoto city in June 1994; the second killed 13 and injured 6,300 in the Tokyo subways in March 1995. Aum developed other chemical weapons, including VX, Phosgene, Soman, Yperite, and Hydrocyanic acid gas. It was less successful in its attempts to develop biological weapons using anthrax, bacteria botulinum and botulinum toxin.

To date, Japan is the only country in the world that has experienced terrorism employing all aspects of CBRNE. Tracing Japan’s experience sheds light on the path ahead for international cooperation in managing CBRNE risks. The RISTEX database of CBRNE incidents in Japan, commissioned by the Japanese Ministry of Education, Science and Technology, compiles open source information (press reports, academic research papers, books, and official government documents) about non-state, terrorist and criminal uses of chemical, biological, radiological, nuclear or explosive materials/devices (CBRNE) from the 1930s to the present. The database records the date of occurrence, place of attack/accident, targets, means of attack, perpetrators (motives, abilities), and casualties (if any) for each incident. Because there are still a few incidents for which detailed information is not yet available from open sources and suspicious CBRNE incidents (especially incidents with explosive) that have not been conclusively confirmed as the results of terrorist/criminal activity, the number of incidents in the database may increase with further research.

Explosives: Japan has a long history of violent extremists, criminals, and malicious individuals using explosive materials/devices in incidents stemming from a variety of motivations including personal resentment, vengeance, blackmail, extremism (political, religious), internal power struggles within organized crime groups, and self-contained fanaticism. There are three broad categories of explosives used in Japan: improvised explosive devices, industrial dynamite and black market grenades. In the early post-war era, the targets of incidents were mainly political (the Communist party) or ethnic (Korean residents in Japan). By the 1960s, the target had shifted toward public spaces such as subway, urban offices, department stores, and public phone booths. The number of terrorist attacks with explosives surged in the 1970s, resulting in more than 550 casualties across Japan. Since the mid-1990s, ideologically motivated incidents have declined to be replaced by ones involving individuals with no apparent ideological motivation and organizational affiliation. There were 32 arrests of such individuals during the 1990s and 2000s, a major increase from only 2 such arrests in the 1970s.
Aum Shinrikyo sent an RDX explosive device disguised as a book, which seriously injured a staff member at the Tokyo Metropolitan Governor’s office shortly after the 1995 sarin attacks. A later police raid of Aum facilities uncovered significant amounts of chemical materials for bomb production. In 2000, Dimitry Sigachev, then leader of the Aum’s Russian activities, and four Aum coconspirators were arrested for plotting to detonate bombs in Kyushu and Okinawa during the G8 Summit in an effort to free Aum leader Chizuo Matsumoto from Tokyo prison.

Chemical and Biological Agents Including Toxins: In addition to Aum Shinrikyo’s chemical attacks in the 1990s, Japan has over the years experienced many illicit activities or accidents involving chemical materials. Twelve people died at the Imperial Bank in Tokyo in 1948 after bank robbers tricked them into drinking liquid containing a toxic chemical. The Glico-Morinaga cases, a series of extortion attempts against at least six Japanese industrial confectionaries, including Ezaki Glico Corporation and Morinaga Corporation occurred in 1984 and 1985. An unknown group threatened to contaminate the companies’ products with arsenic poison. After a few confectionary products contaminated with arsenic surfaced, all of the companies’ products were removed from stores in Japan, pushing the company to the brink of bankruptcy. A former employee of a factory in China was arrested for tainting dumplings with pesticides, resulting in a series of poisonings in Japan in December 2008 and January 2009. This case highlights the difficulty of securing a globally extended food chain.

These chemical attacks almost always triggered copycat incidents. The escalation in incidents in which canned/bottled beverages tainted with pesticides or other chemicals surfaced in stores or vending machines began in the 1960s. In 1985 only, there were 78 such incidents that killed 17 people. In 1998, a serious incident of intentional arsenic poisoning of food at a local festival caused 4 deaths and spurred 35 copycat attacks by the end of that year. Thirteen of the 1998 incidents were brought to trial, but the motives and perpetrators of most of the other incidents remained unresolved.

The most significant cases in recent years that triggered huge number of copycat incidents was the large number of suicides involving hydrogen sulfide, which is easily made by mixing commercially available products. The number of suicide using hydrogen sulfide jumped from 29 in 2007 to 1,056 in 2008, after “Do It Yourself” instructions for suicide using hydrogen sulfide appeared on the Internet. Intense media coverage of these suicide cases may also have contributed to the sharp increase.

Theft of dangerous chemical materials such as potassium cyanide, sodium cyanide or sodium azide has been a constant problem, despite strict regulations on the possession and storage of toxic chemicals. In some cases, charges have been made against “insiders” such as doctors, veterinarians, professors and students, and pharmaceutical chemists. The number of biological incidents, first recorded 1935, is comparatively small; in almost all of them (excepting hoaxes) the perpetrators were also insiders, such as doctors or researchers. There was also a sabotage to contaminate the BCG vaccine allegedly by communist members in 1946. Henceforth, apart from the Aum Shinrikyo attacks, most chemical/biological incidents have been traced to individuals acting against acquaintances, colleagues, and relatives, with motivations such as relationship problems, financial problems, and property disputes.

Nuclear/Radiological (NR) Agents: In 1999, a serious nuclear criticality accident in the nuclear facility in Tokaimura resulted in the deaths of three workers at the facility. Over the years, improper management of materials, accidents, and thefts has been the major sources of NR incidents in Japan. The regulations for handling NR material were relatively loose until the 1970s. Improper management of isotope occurred primarily in medical institutions and construction sites. Most of those cases involve improper disposal of medical or measurement equipment containing radiological materials and stemmed from insufficient understanding of regulations or carelessness. In most theft cases the perpetrators were not aware of the nature of the NR materials they had stolen.

Since the 1990s, there have been several radiological incidents with malicious intentions. In 1997, a technical researcher at a university in Osaka released radiological materials in the research lab. In 2000, a 42-year-old demolition worker was arrested on suspicion of mailing radioactive material to ten government offices, including the prime minister's residence and the Defense Agency. In 2007, an associate professor released radiological material on a colleague’s desk and chairs. In 2008, an ex-worker of nondestructive inspection company stole radiological material. In each instance, the harm was done by individuals motivated by strong feelings of resentment.

The Importance of Sharing Lessons Learned: In general, there is a shared perception that Japanese society is basically safe and secure. Yet this is likely a myth. Until now there has been no systematic effort to collect and analyze information about CBRNE incidents in Japan over the past century. The RISTEX CBRNE Incidents Database offers the potential to utilize case studies for international comparative study. Such systematic analysis of CBRNE incidents in one country, such as Japan, is expected to contribute to sharing the lessons learned among other countries concerned with the risk of CBRNE hazards.
Manpower Export is crucial to the economy of Bangladesh, a least-developed country in which more than 40% of its plus 150 million population lives below the poverty line. The country earns huge remittances through its manpower export every year. According to Bangladesh Association of International Recruiting Agency (BAIRA), Bangladesh earned US $10,720 million in remittances in 2009, which is an increase of US $3,559 over 2008. Although remittances increased in 2009, a drastic decline in manpower export is a great concern for Bangladesh. According to Bangladesh Economic Review 2009, manpower export has declined from 875,055 in 2008 to 475,278 in 2009.

This situation raises a number of important questions: What is the role of remittances in Bangladesh economy? What are the trends of manpower export, particularly to the Middle East, the key source of remittance earning? What are the underlying factors behind the decline of manpower export? What are the measures the government has already taken to face the emerging problem? And, what are options that need to be further considered to overcome the downturn?

Remittances from expatriate workers constitute one of the lifelines of the Bangladesh economy. They accounted for 10% of GDP in 2009 and play an important role in reducing poverty and mitigating the effects of unemployment in Bangladesh. Remittances are key to both the macro and micro economies of Bangladesh. At the macro level, remittances contribute to: maintaining a stable foreign currency reserve; helping meet the increasing trade deficit; reducing Bangladesh's dependence on external aid; and developing domestic sectors and, hence, creating employment. At the micro level, households are the key recipients of remittances. About 66% of remittances are applied to basic household expenditures, contributing directly to improving the standard of living. These expenditures on basic needs – on food, healthcare, and children's education – are generally considered an investment in human resource development. The real effects, however, are less clear. A study titled “Remittance and Household Welfare: A Case Study of Bangladesh”, published by ADB in December 2009, finds that the impact of remittances on improvements in education and health are insignificant in Bangladesh.

Until recently, the trend in manpower export from Bangladesh had been fairly steadily upward. According to Bureau of Manpower, Employment and Training (BMET), more than 6.7 million Bangladeshi workers migrated to various countries from 1976 to 2009. In 1976, Bangladesh exported only 6,087 workers but the number increased to 30,073 in 1980, 103,814 in 1990, 222,686 in 2000, and 875,055 in 2008. There have been ups and downs in manpower export over the years since 1976. But the dramatic downturn in 2009 was particularly alarming because manpower export declined by almost half from the 2008 level.

The most dramatic decline has been in manpower export to Saudi Arabia, the United Arab Emirates (UAE) and Kuwait which are the key destinations of manpower export in the Middle East (ME). In FY2009, Bangladesh earned nearly seventy percent of its total remittances from the ME and about 3 million Bangladeshi expatriate workers currently live and work in the region. Saudi Arabia alone hosts 2 million Bangladeshi workers and is the top source of remittances to Bangladesh. Saudi Arabia alone hosts 2 million Bangladeshi workers and is the top source of remittances to Bangladesh. Saudi Arabia, the UAE and Kuwait, the three key destinations for Bangladeshi migrant workers, were the sources of 29.5%, 18.1% and 10% of total remittance respectively in FY2009. However, manpower export to Saudi Arabia and the UAE declined from 132,124 and 419,355 in 2008 to 14,666 and 258,348 in 2009. Jobs for Bangladeshi workers have almost dried up in Saudi Arabia – only 602 workers secured employment in Saudi Arabia between July and March 2009-2010. In past years, that many were hired in a day. Manpower export to Malaysia declined from 273,201 in 2007 to 131,762 in 2008, and Malaysia imposed a ban on recruiting manpower from Bangladesh in 2009.

Both internal and external factors have contributed to the decline of manpower export in 2009. In the wake of global economic meltdown in 2008 some of the decline in manpower export to the Middle East was anticipated. Other important factors also contributed to the downturn of manpower export.
First, seventy percent of Bangladeshi workers fall in the unskilled and semi-skilled labor categories, but which most countries are currently reluctant to import. These workers typically have less than 10 years of schooling and no command of English or languages of other host countries. Most also lack training or certification in any specific trade. As a result, they are employed in low-paying jobs such as casual work in hospitality, retail, construction, cleaning, and maintenance. These workers are the first to be laid off and sent back home during an economic crisis.

Second, Saudi Arabia, Kuwait and Malaysia, have imposed bans on further manpower export from Bangladesh. Strict enforcement of immigration rules, employer layoffs, and the Saudi government’s restrictions on renewing residential permits have forced thousands of Bangladeshi workers to repatriate. A 2008 strike by Bangladeshi workers demanding better pay and conditions led to the Kuwait government decision not to employ Bangladeshi workers in future. The Malaysia government cancelled 55,000 Bangladeshi workers’ visas in 2009, contributing further to the decline of manpower export.

Third, fraud and illegal activity on the part of recruiting agencies is another concern for manpower export. Migrant workers are frequently exploited by recruiting agencies and the Bangladeshi government has failed to control them. There is a lack of coordination among the concerned ministries and agencies within the government. Bangladeshi workers who have been cheated by recruiting agencies are repatriating almost every day, and they are the lucky ones - some workers become victims of torture and even death at the hands of local and foreign recruiters.

Fourth, Bangladeshi officials working in the foreign missions have a reputation for being uncooperative, unsympathetic, and weak advocates for the interests of Bangladeshi expatriate workers. According to some newspaper reports, Bangladesh embassy officials in some countries are directly involved in corruption and irregularities related to labor export. In general, there is little communication and cooperation between expatriate workers and consular officials.

Finally, Unskilled and poorly educated Bangladeshi migrant workers are often unaware of the laws, values and cultures of their host countries. As a result, workers sometimes become entangled in illegal activities, a factor that further hinders the willingness of countries to import Bangladeshi labor.

The Bangladesh government has been undertaking initiatives to manage the decline of manpower export: promoting diplomatic activities in the countries where a large number of Bangladeshi migrant workers are working; establishing labor wings in Bangladeshi missions; introducing smart cards to keep track of migrant workers; undertaking plans to create an Expatriate Welfare Bank to utilize remittances properly; taking steps to ensure that remittances flow into Bangladesh legally; and planning an online system to facilitate the process of sending foreign exchange home.

So far, however, these government measures and diplomatic efforts to promote Bangladesh labor export have brought no significant change in promoting manpower export. On the one hand, Bangladeshi consular officials have not been able to negotiate effectively on behalf of expatriate workers. On the other hand, the Bangladesh government at home has not been able to exert control over recruiting agencies. New government initiatives reflect good intentions, but implementation is falling short. If the current trend of manpower export continues, remittances will be reduced drastically in the near future, with detrimental effects on the development of the macro and micro economies of Bangladesh.

In order to promote manpower export, Bangladesh needs a comprehensive manpower export strategy that: explores new potential markets for Bangladeshi manpower export particularly in Africa, Latin America, Eastern Europe and Central Asia and undertakes a 5- to 10-year long-term plan for creating a pool of skilled workers in high-demand fields such as welding, metalwork, electrical work, plumbing, shipbuilding, nursing, and skilled healthcare. This will require: establishing more training centers and technical/vocational schools; educating potential expatriate workers in the laws and languages of the host countries; establishing standards and guidelines for consular officers and foreign missions in supporting expatriate workers, and creating a post of labor attaché in the embassies of key host countries; strictly monitoring and implementing the money laundering act to discourage workers from transmitting money illegally; and coordinating inter-Ministerial cooperation and making the BMET more effective in monitoring fraudulence of recruiting agencies.
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Editors

Dr. Caroline Ziemke-Dickens | Institute for Defense Analyses, USA
Mr Shanaka Jayasekara | Macquarie University, Australia
Dr. Julian Droogan | Macquarie University, Australia

About the Authors

FARIZAL MOHD RAZALLI is a lecturer, Strategic Studies and International Relations, School of History, Politics, and Strategic Studies, Universiti Kebangsaan Malaysia (UKM).

RALPH HASSIG an adjunct professor of psychology at the University of Maryland University College and the co-author, with Kongdan Oh, of a new book titled *The Hidden People of North Korea: Everyday Life in the Hermit Kingdom*.

NAOKO NORO, SHINSUKE TOMOTSUGU, and KATSUHIA FURUKAWA are researchers at Research Institute of Science and Technology for Society (RISTEX), Japan.

M. JASHIM UDDIN, Ph.D is Senior Research Fellow, Bangladesh Institute of International and Strategic Studies (BIISS)

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Dr. Caroline Ziemke-Dickens,
Institute for Defense Analyses,
4850 Mark Center Drive,
Alexandria VA, 22311, USA.
E-mail: cziemke@ida.org