



Policy Brief

MANPOWER EXPORT: A STUDY OF CHALLENGES AND OPPORTUNITIES FOR PAKISTANI YOUTH

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Introduction

The export of manpower from the high population countries has been a traditional economic phenomenon as surplus labor is available for export to other countries. The demographic reality of Pakistan presents a strong case of manpower exports as total population of Pakistan has reached around 250 million in 2023 with average annual growth rate of 1.9%. Within this population, the share of young workers aged less than 35 years is 60% which shows the presence of significant youth manpower in Pakistan. As Pakistan has weak industrial base, the bulk of these young workers are unemployed or are underemployed in agricultural sector. The absence of good working opportunities has forced significant number of Pakistanis to move abroad in search of employment and wages. At present, around 8 million registered Pakistani workers are employed in the Gulf Countries, Europe, America, Japan, South Korea, Malaysia and in other regions of the world. These workers are regularly sending significant amounts (remittances) to their families in Pakistan which has reached to \$38 billion dollars in 2024. In this way, the remittances have become the top contributor towards the foreign exchange in Pakistan along with the exports.

Traditionally, the manpower export model followed in Pakistan is based on recruitment agencies model which are the private sector firms specialized in hiring of unskilled, semi-skilled and skilled labor on behalf of foreign firms. These recruitment agencies are regulated and licensed by the Govt. of Pakistan through Bureau of Emigration and Overseas Employment (BEOE). A significant majority of these recruitment agencies are engaged in hiring local workers for Gulf-based foreign employers mostly related to the construction sector. These recruitment agencies have established their offices in major cities of Pakistan and regularly advertise the foreign job positions for hiring the local labor on contract basis. The objective of this study was to critically examine the issues, challenges and emerging opportunities in the manpower export system of Pakistan.

RESEARCH METHODOLOGY

This study used data from both secondary sources and primary sources. Overall, this study was conducted in four stages. In stage 1, we collected secondary data from the Bureau of Emigration and



Policy Brief

Overseas Employment (BEOE) on manpower export was collected. This data was analyzed to know the trends and patterns in manpower exports from Pakistan. At stage 2, we obtained the primary data through questionnaire from the OEPs for understanding the choices of manpower exports and the challenges present in the existing system. For this purpose, a sample of 40 Islamabad/Rawalpindi based OEPs was taken (out of 904), and the questionnaire was forwarded to them. From OEP.

At stage 3, we examined the institutional perspectives dealing with the manpower exports from Pakistan. This includes a critical review of the BEOE and skills testing bodies such as NAVTCC. We made field visits to both BEOE and NAVTCC and had fruitful discussions with the concerned officials. At stage 4, for identifying opportunities in the global markets, country specific skilled visa programs are analyzed, and areas/sectors are highlighted where labor shortfall exists in the developed countries.

KEY FINDINGS

- i. Manpower exports from Pakistan are concentrated in low-skilled jobs such as drivers, laborers, drivers etc. This trend indicates that Pakistan mostly exports low-skilled labor thereby limiting the potential for higher earnings and remittances.
- ii. Most manpower exports from Pakistan are based in Gulf countries. Within Gulf, Saudi Arabia and UAE constitute the largest share of Pakistani workers. The higher level of labor concentration in these countries limits diversification and carries geographic economic risks.
- iii. Manpower exports from Pakistan are largely dependent on the Overseas Employment Promoters (OEPs) which are private sector firms having links with foreign employers. The role of Govt.to Govt. level contracts is limited and needs further expansion to increase the manpower exports from Pakistan.
- iv. The OEPs dealing with the manpower exports report frequent regulatory administrative and operational barriers affecting the overall recruitment process. These regulatory barriers enhance the time and cost for the workers seeking foreign jobs.
- v. The results of survey indicate that Pakistani workers have significant skills gap and communication issues. The technical skills and language deficiency negatively affect the earning potential of the workers thereby reducing remittances.
- vi. The Pakistani workers face significant financial and procedural issues before departing for foreign countries. The financial costs include higher upfront costs, regulatory charges, medical and skills testing fee etc. The procedural issues such as documentation, protectorate clearance, certification etc. also negatively affect the manpower exports.
- vii. The migrant workers from Pakistan also face the workplace vulnerabilities such as salary deductions, harsh working conditions, contract substitution, employers abuse etc. These issues indicate weak contract enforcement and limited worker protection mechanism.



Policy Brief

- viii. The regulatory body of manpower exports in Pakistan (BEOE) requires structural adjustment as per modern economic challenges. These includes end-to end digitalization, proactive role in manpower export market, devising mechanism for registering informal agents involved in manpower exports etc.
- ix. The crucial role of skills development & testing is critical for accessing global market opportunities for Pakistani workers. For this purpose, the high quality internationally accredited training centers are required to be developed in Pakistan for improving skills of youth to improve their employability.
- x. This study also highlighted the emerging global opportunities available for skilled workers. Almost every advanced economy has introduced skills-based emigration systems which can be accessed by skilled workers. The Pakistani workers need to upgrade their skills and obtain the international certifications to be able to access the global market manpower opportunities.

RECOMMENDATIONS

- i. **Reforming Regulatory Procedures & Reducing Bureaucratic Delays:** The manpower export system of Pakistan requires reforming regulatory procedures in order to improve the workflow of recruitment processes. The registered OEPs should be ranked or graded based on their performance to enable workers to choose the right body. Along with this, the complete process of foreign job recruitment by the OEPs should be facilitated by reducing unnecessary approvals and integrating workflows.
- ii. **Enhanced Digitalization for Quick Processing:** There is a need to completely adopt the end-to end digitalization to enhance the manpower export processes. Digitalization will integrate the processes, reduce paperwork, minimize processing time and enable workflow tracking in real time. More specifically, a national manpower export portal should be developed linking workers, OEPs, BEOE, embassies and foreign employers.
- iii. **Strengthening Skills & Pre-Departure Training:** The most important factor enabling workers to access foreign jobs is their skill set. The foreign employers require globally accredited skills with adequate language command. Therefore, it is required to train and test local workers as per international requirements and provide them with pre-departure training on job contracts, output required etc. to improve their working prospects on foreign lands.
- iv. **Improving Worker Support Mechanism:** The Pakistani workers frequently complain regarding the weak support mechanism after their departure from Pakistan. This aspect needs to be carefully taken, and special helplines and dedicated cells should be established with BEOE and the Pakistani embassies abroad to provide legal and technical support to the workers. Along with this, regular monitoring of complaints should be made in order to identify trouble-making foreign employers.



Policy Brief

- v. **Reducing Recruitment Costs and Promote Transparent Migration:** Within Pakistan, the highest financial burden for accessing foreign jobs is borne by the workers. The OEPs typically monetize their offered opportunities and charge workers for foreign jobs. Along with this, the regulatory body also adds fees thereby inflating the costs of accessing foreign jobs. The regulatory body should play a pro-active role in monitoring the so-called “sale of foreign jobs” by OEPs and develop a transparent mechanism to ensure level playing fields for the skilled workers.

CONCLUSION

This study was designed to help policy makers to enhance their understanding of present manpower export patterns in Pakistan with respect to the issues and challenges in the manpower export system of Pakistan. To achieve this objective, the existing trends of manpower exports from Pakistan were studied and the role of recruitment agencies dealing with the manpower exports from Pakistan were analyzed through responses from a sample OEPs. The results indicated a comprehensive need for administrative and operational reforms in manpower export system of Pakistan. Supplementing this, we have also examined the role of regulatory body and the skills testing system in Pakistan with a view to highlight the areas where improvement can be made to enhance the manpower exports from Pakistan. Along with this, this study also examined the various opportunities emerging in the global system for the skilled labor of Pakistan. The overall output of this study is in the form of a set of recommendations for the policy makers to reflect on the challenges in current manpower export practices and to grasp the working models for accessing the opportunities in the global labor market for Pakistani youth.