

SAFEGUARDING INTERESTS OF BANGLADESH MIGRANT WORKERS
Issues of Financial Inclusion and Social Protection

CPD Dialogue Report 112

Publisher

Centre for Policy Dialogue (CPD)

House - 6/2 (7th & 8th floors), Block - F

Kazi Nazrul Islam Road, Lalmatia Housing Estate

Dhaka - 1207, Bangladesh

Telephone: (+88 02) 9141734, 9141703, 9126402, 9143326 & 8124770

Fax: (+88 02) 8130951

E-mail: info@cpd.org.bd

Website: www.cpd.org.bd

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The **Centre for Policy Dialogue (CPD)**, established in 1993, is a civil society initiative to advance the cause of a participatory, inclusive and accountable development process in Bangladesh and contribute to Bangladesh's socio-economic development. In the spirit of CPD's commitment to particularly giving voice to the interests and concerns of marginalised stakeholders in the society, CPD's dialogue platform fosters constructive engagement, and enables informed exchange of views which are valuable as inputs to the policy making process. Over more than two decades, CPD has organised a series of dialogues at local and national levels where individuals from a broad cross-section of society representing wide ranging perspectives are invited to participate. These dialogues have brought together public representatives, policymakers and government officials, leading entrepreneurs, activists of grassroots organisations, academics and researchers, development partners and members of relevant interest groups to be engaged in a focused discussion, and provide recommendations and analysis on a full range of public policy issues. CPD has also organised a number of South Asian bilateral and regional dialogues as well as international dialogues to pursue the interests of the least developed countries (LDCs) in various fora including WTO, UN and other multilateral organisations.

In its efforts to policy influencing CPD employs both research and dialogue, which work in tandem and complement each other. Some of the major research areas of CPD include: *Macroeconomic Performance Analysis; Poverty, Inequality and Social Protection; Agriculture and Rural Development; Investment Promotion, Infrastructure and Enterprise Development; Trade, Regional Cooperation and Global Integration; Climate Change and Environment; Development Governance, Policies and Institutions; and Post-2015 International Development Agenda*. CPD also conducts periodic public perception surveys on policy issues and issues of development concerns. With a view to promote vision and policy awareness amongst the young people of the country, CPD is also implementing a Youth Leadership Programme. CPD maintains a broad network with institutions working in common areas of interest, and has partnered with some of these in organising international events both in Bangladesh and abroad.

At present CPD is spearheading two global initiatives. *LDC IV Monitor* is an independent global partnership for monitoring the outcome of the Fourth United Nations Conference on the Least Developed Countries (UN LDC IV). *Southern Voice on Post-MDG International Development Goals* is a network of 49 think tanks from the developing South which seeks to contribute to the global discussions on Sustainable Development Goals (SDGs) and related issues. In recognition of its track record in research, dialogue and policy influencing, CPD has been selected as an awardee of the Think Tank Initiative (TTI) through a globally competitive selection process for two consecutive times.

Dissemination of information and knowledge on critical developmental issues continues to remain an important component of CPD's activities. Pursuant to this, CPD maintains an active publication programme, both in Bangla and in English. As part of CPD's publication activities, a **CPD Dialogue Report Series** is brought out in order to widely disseminate the summary of the discussions organised by the Centre.

The present report contains the highlights of the dialogue on ***Safeguarding Interests of Bangladesh Migrant Workers: Issues of Financial Inclusion and Social Protection*** held on 21 October 2015 at the Lakeshore Hotel, Dhaka. The dialogue was organised by CPD in association with the Ministry of Expatriates' welfare and Overseas Employment (MEWOE), Government of Bangladesh and the International Labour Organization (ILO), Country Office in Bangladesh.

Prepared by: Ms Ummah Salma, Programme Associate, CPD

Executive Editor: Professor Mustafizur Rahman, Executive Director, CPD

Series Editor: Professor Rehman Sobhan, Chairman, CPD

THE DIALOGUE

To discuss some of the key issues of interest to Bangladesh's migrant workers, the Centre for Policy Dialogue (CPD) organised a dialogue titled *Safeguarding Interests of Bangladesh Migrant Workers: Issues of Financial Inclusion and Social Protection* on 21 October 2015 at Lakeshore Hotel, Dhaka jointly with the Ministry of Expatriates' Welfare and Overseas Employment (MEWOE), Government of Bangladesh and the International Labour Organization (ILO), Country Office in Bangladesh. The dialogue was an opportunity to raise awareness of the public in general, and policymakers in particular, as regards advancing the interests of Bangladesh's migrant workers in view of the emerging demands.

Mr A H M Mustafa Kamal, MP, Minister for Planning addressed the dialogue as the Chief Guest and *Mr M A Mannan, MP*, State Minister for Finance and Planning was present as the Special Guest. *Ms Beate Elsässer*, Chargé d'affaires, Embassy of Switzerland in Bangladesh and Director of Cooperation, SDC was the Guest of Honour.

The event was co-chaired by *Mr Nurul Islam, BSc*, Minister for Expatriates' Welfare and Overseas Employment, and *Mr Syed Manzur Elahi*, Member, CPD Board of Trustees and Chairman, Apex Group. CPD Executive Director *Professor Mustafizur Rahman* presented the keynote at the session.

The dialogue was participated by a broad spectrum of stakeholders including ministers, high level policymakers and senior civil servants, non-government organisations (NGOs) working on migrant issues, representatives from migrant workers' association, officials of banks and other financial organisations dealing with remittances. The dialogue was widely covered by the print and electronic media.

INTRODUCTORY REMARK

Mr Syed Manzur Elahi thanked the guests and participants for attending this important dialogue. Highlighting the importance of remittances in our economy, he recalled the contribution of migrant workers to the Bangladesh economy by dint of hard labour and the remittance they were sending home. He, however, observed that migrants are not getting due importance in the policy making process of the country and many of their concerns were not appropriately addressed. Although a separate Ministry has been established to look after their interests, this was not enough. Many of them are not skilled and cannot communicate in English; consequently they earn less. Also there is no system in place, at home or in destination country, to provide them with the social protection they needed. He cited Philippines as an example and commented that if our migrants were skilled or semi-skilled and would have better hold over English language, Bangladesh's remittance could have been double the current account.

WELCOME REMARKS

In his welcome address *Mr Khandker Md Iftekhar Haider*, Secretary, MEWOE expressed his deep appreciation to the participants for being present at the dialogue which he felt was of high importance to his Ministry. He expected their active participation in the discussion and

mentioned that their inputs would add value to the growing attention towards the important role of remittances in the development of Bangladesh, particularly in view of the need for ensuring social protection of migrant workers. He hoped that in future there will be more collaboration such as this among relevant organisations to work on issues of financial inclusion and social protection of migrant workers. He felt that these issues are extremely challenging and cannot be addressed by one organisation or one dialogue alone. In this connection *Mr Haider* emphasised the role of the banking sector and hoped that financial bodies such as banks and international exchange houses will coordinate and collaborate with their counterparts in destination countries to develop and offer innovative financial products that would help raise the savings and investment of the workers and also reduce cost of sending remittance. He also observed that since the workers are not covered under the labour laws of the destination countries, they are deprived of work-related benefits and services such as compensation for work injury, basic healthcare, maternity leave, termination benefits which are essential for their protection. He expected that these issues will also be addressed in the dialogue.

OPENING REMARKS

Ms Beate Elsässer, Embassy of Switzerland in Bangladesh joined others in thanking the organisers of the dialogue. She particularly thanked the MEWOE for the steps taken in the areas of social protection of the migrant workers and acknowledged the contribution of Probashi Kallyan Bank (PKB) in this regard. She informed that Bangladesh will be the host of the Global Forum on Migration and Development to be held in 2016. Emphasising the importance of relationship between welfare of the migrant workers and economic growth, she suggested that Bangladesh government may consider including migrants and their families in the National Social Security Strategy (NSSS) scheme, which is now in the preparatory stage. Referring to the Seven Five Year Plan (7FYP) where there is an indication to establish district manpower offices, *Ms Elsässer* thought that these offices could carry out the much-needed work of improving the welfare of migrant workers, for instance, by functioning as one-stop shops in dealing with migrant labour-related issues.

She mentioned that the Swedish government was willing to work with Bangladesh for the well-being of the poor and disadvantaged by contributing towards enhancing their potential skills and capacities as also access to economic opportunities. With her large population, creating employment opportunities is a critically important driver for Bangladesh's development, and in this context, importance of migration cannot be overemphasised, noted *Ms Elsässer*.

Mr Srinivas B Reddy, Country Director, ILO Country Office in Bangladesh thanked the guests for their participation at the dialogue. He elaborated on ILO's agenda for fair migration. He said that, financial inclusion and greater social security of Bangladeshi migrants would enable them to break through the barriers faced by them at various stages of migration; these will also allow them to contribute more meaningfully to the Bangladesh economy. ILO's work in Bangladesh for the last few decades showed that Bangladeshi women are highly enterprising and they are keen to use opportunities of mobility for better jobs. In this regard, he called for supportive environment particularly for the women.

He emphasised the need for reducing the cost of remittance transfer in all corridors. He stressed the need for social protection of the workers and their families who, in the absence of such services face formidable difficulties during times of crises. The families of the workers need extra support in order to graduate from remittance beneficiaries to skilled workers and entrepreneurs. Considering the contribution of migrants to both domestic economy and destination countries, he called for collective commitment and greater efforts so that the sacrifice of migrants are translated into their well-being, and also the economy at large. He hoped that the observations and recommendations from the dialogue would contribute towards designing policies to make use of remittances as a sustainable input for poverty alleviation and improved well-being of migrants and their families.

KEYNOTE SPEECH

While presenting the keynote, CPD Executive Director *Professor Mustafizur Rahman* noted that remittance has emerged as one of the most important sources of foreign exchange earnings in developing countries, outweighing the combined forces of foreign direct investment (FDI) and foreign aid flows. Remittance inflows to Bangladesh have reached USD 15.3 billion in FY2014-15, an increase of 20 times over a period of two and a half decades (USD 0.7 billion in 1990; USD 1.9 billion in FY1999-00 and 3.8 billion in FY2004-05). He observed that about 9.5 million workers had left Bangladesh to work abroad since Bangladesh's independence, and as of now, about 5 million migrant workers are working in more than 150 countries.

Citing various studies, *Professor Rahman* informed that, remittance has contributed to Bangladesh economy by reducing poverty, improving health and educational attainment, at the micro-level, whilst boosted foreign exchange reserves, domestic demand and external balances at the macro-level. He also mentioned that, of those entering Bangladesh's labour market each year, about one-fourth (equivalent) are going overseas as migrant workers. He recalled that contribution of migrant workers and remittances have indeed been recognised in key national strategies and policies such as the 7FYP, NSSS, National Sustainable Development Strategy 2010-21 (NSDS), Bangladesh Overseas Employment and Migrants Act 2013, and Overseas Employment Policy 2016. Major focus of these policies has been on skills upgradation, effective use of remittance, protection of labour rights of migrant workers and ensuring better social security and entrepreneurship development for workers.

Professor Rahman added that issues related to migration and remittance have also become very important in the context of recent global developments, such as the Istanbul Programme of Action (IPoA) for the least developed countries (LDCs), Sustainable Development Goals (SDGs), UN Secretary General's Report, World Trade Organization (WTO) Bali Package in support of the LDCs. The keynote speaker observed that in the context of Bangladesh, majority of the targets and priorities set by the MEWOE are reflected in the 7FYP, but implementation remained the key concern. He also mentioned about the initiatives of the Government of Bangladesh in the form of setting up the Department for Skill Development Training, establishing the Department of Expatriates' Welfare and increasing the number of technical training centres (TTCs). Issues such as raising average remittance per migrant worker, skill enhancement programmes, reducing the cost of migration as well as sending remittances remained key areas of concerns, He, however, noted that the allocations for

MEWOE in successive budgets had been very low, and did not reflect the priority that has been given to the related areas in important policy documents. About, NSSS he remarked that it has followed a life cycle approach, but there is no dedicated component in the policy addressing particularly the needs of the migrant workers.

Although migrant workers' contribution have been highlighted in major national and international documents, issues like financial inclusion and social protection of remitters have received rather scant attention. To increase remittance flow through formal channels, attracting migrant workers to invest more in productive sectors, introducing savings instrument that are migrant-friendly, are some of the key issues related to financial inclusion of migrant workers. Social security of the workers are no less important as most Bangladeshi migrant workers go overseas at a young age (average age is 32 years), and they stay young when they return (average 35 years).

Professor Rahman mentioned that due to demographic shifts in the host countries, structure and composition of their demand for labour have also undergone changes. As a result, more number of workers are now shifting from Gulf to non-Gulf countries. This has important implications for Bangladesh in terms of development of needed skills and catering to the emerging demands for financial inclusion. To highlight the current status of financial inclusion, he noted that Bangladesh has experienced very high growth of remittance inflow, but only about 26 per cent of remittance-recipient households in Bangladesh have opted for some type of investment. A survey of the Bangladesh Bureau of Statistics (BBS) conducted in 2014 revealed that 60 per cent remitters have bank accounts, which was only about 19 per cent according to a similar survey conducted by the International Organization for Migration (IOM) in 2009. This was quite a significant improvement, and created opportunity for supportive interventions noted *Professor Rahman*.

Wage Earners Development Bond (WEDB), USD Premium Bond and USD Investment Bond are the three investment schemes that are currently available to expatriate Bangladeshis, *Professor Rahman* observed. However, due to lack of promotion, and wider dissemination of the information about the facility, sale of these three bonds together had gone down significantly over the past decade. In 2014, less than 1 per cent of remittance earnings was spent to purchase these bonds.

About the channels and cost of money transfer, the study revealed that bank is the most expensive medium, charging 11 per cent of the remitted money compared to money transfer operators (MTOs) which charges 6.6 per cent. However, banking channels are the most frequently used mode for channelling remittance in Bangladesh, particularly in case of female remitters.

Destination countries for Bangladesh's migrant workers are becoming increasingly diversified and it is difficult to send money, through formal channels, from some of the new host countries, observed *Professor Rahman*.

Professor Rahman noted that, worldwide, anti-money laundering/counter-terrorist financing (AML-CTF) drive has put MTO businesses under considerable pressure. MTOs are being required to undertake extensive compliance measures including implementation of

'know your customer (KYC)' and 'customer due diligence (CDD)' processes, etc., leading to higher cost charges. In view of this, there is a need for a global understanding to keep remittances, at least for small remitters, out of the purview of such stringent measures.

Drawing from best practices around the world, the study recommended a number of policy interventions. These include, introduction of mandatory insurance scheme with support from public sector insurance companies, setting up pension schemes and provident fund for migrants, and introducing savings instruments targeted to small remitters, provision of housing loan, wider use of mobile technology and internet, bilateral social security agreement with host countries, preparing comprehensive database on returnee migrants, modernising postal services to raise competition among institutions dealing with remittances, increasing the number of Bangladeshi subsidiary banks overseas, creating platforms for inclusion of migrant workers into the financial ecosystem and financial education both in the home and host countries.

In connection with social protection, *Professor Rahman* observed that, global, regional and domestic efforts are required to meet challenges to ensure social protection of the migrants at all the three stages; pre-migration, in host-country and post-return. He called for global accord to ensure ratification and enforcement of ILO conventions by all host countries. He proposed that a monitoring mechanism can be set up as part of the SDG implementation monitoring process, particularly geared to issues related to migration.

In conclusion, *Professor Rahman* called for greater inter-ministerial and institutional coordination, and public-private partnership (PPP) with active participation of banks and insurance companies and non-state actors who were dealing with migrant issues.

COMMENTS FROM THE DESIGNATED DISCUSSANT

Dr Zahid Hussain, Lead Economist of the World Bank, highlighted the link between poverty and inequality in the backdrop of remittance flows to marginal households. He noted that, investment of remittance in productive sectors was an important vehicle for poverty reduction and promotion of equality. He observed that the issue of migration is now being included into mainstream economics. In this connection he emphasised the importance of freeing the flow of international capital, and commented that this had greater positive impact on economy compared to official aid.

Recalling the findings of a study funded by BRAC about channels of migration, he mentioned that, less educated and unskilled migrants are more likely to depend on middlemen who are also less educated. In districts with more concentration of migration, migrant workers depend on personal linkages rather than the middlemen. Mentioning the financial losses incurred by migrants because of the malpractices, he pointed out that only 17 per cent Bangladeshi migrants go abroad with formal job contracts. Even in those cases, the workers received lower wages and work longer hours than what is stipulated in their job contracts.

He suggested that alternative channels (other than the middlemen) should be explored (personal network, agency) since the former are the riskiest. However, the fact remains that the process of migration tended to be the fastest with the middlemen. Interventions,

therefore, is needed in terms of ensuring reasonable cost of migration, as also for safe migration. He also emphasised the need for formal job contract before migration.

About the available social protection for migrants in host countries, *Dr Hussain* informed that most OECD (Organisation for Economic Co-operation and Development) countries have unemployment and family benefits, and also compensation for early cancellation of contracts. Kingdom of Bahrain has unemployment benefit and there are lump sum seniority benefits in some Gulf countries. As regards pension, Singapore provides this facility to migrants only after they become permanent residents; the OECD countries require lengthy contribution period which is not possible for Bangladeshi migrants. However, replicability of best practices should be examined closely to safeguard migrant interests, keeping our country situation in perspective, he proposed.

FLOOR DISCUSSION

Lower Skill Set the Primary Reason for Lower Wage of Bangladeshi Migrants

Mr Salahuddin Kasem Khan, President, Bangladesh Employers' Federation (BEF) observed that Bangladeshi workers have the lowest skill sets among all the South Asian countries; he felt that this is the main reason for their lower salary compared to other countries. Citing an ILO study, he commented that among Bangladeshi migrants the number of skilled workers has gone down in 2012 compared to 2010. He drew the attention of the government and skill development agencies to this and urged them to address the issue with due seriousness. *Mr Khan* informed that workers with Higher Secondary Certificate (HSC) degree are getting the highest salary. He requested the government to introduce vocational programmes, both at the Secondary School Certificate (SSC) and HSC levels, in all the schools under government and private sectors. In order to address the issue of skill development he proposed joint collaboration with the receiving countries such as the Korean-Bangladesh TTC, German-Bangladesh TTC, etc. He suggested to establish similar collaborations with Malaysia, Singapore, Saudi Arabia, the UAE and other major destination countries to train prospective migrants as per requirements of the host countries. In this connection *Mr Khan* emphasised the importance of language skill for migrants. He proposed upgradation of the Chittagong-Swedish Institute of Technology to university level for the purpose of adequate training. He also stressed the need for operationalising the fund for human resource development, and urged that the Tk. 100 crore committed by the Planning Minister should be put into a dedicated fund, which then can be used by training centres. He added that one per cent of remittance money can be put into this fund for scaling up the welfare of migrants, and in order to enforce this, a law can be passed.

Ms Sheepta Hafiza, Director, Gender Justice and Diversity, BRAC felt that skill of migrant workers should not point only to hard skills, but should also include soft skills such as values, culture, norms, food habit and practicing behaviour in the destination countries. TTC trainers who are mostly Engineers, will need exposure to the real situation in the potential host countries as well. Partnership between the government and civil society would work better in improving the skill of the migrants, she added. In this context *Begum Shamsun Nahar*, Director General of the Bureau of Manpower, Employment and Training (BMET) informed the audience about the steps being taken by BMET as regards training of the

migrant workers. BMET has been organising mandatory pre-departure and country-specific trainings by using both audio and video systems, on a regular basis. She also mentioned that soft skills are already included in the curricula. She requested for suggestions from experts as regards areas to be included in the training sessions. In response to this *Mr Mohammed Nurul Amin*, Managing Director and CEO of Meghna Bank Ltd. expressed that he would be more than willing to extend support in teaching courses on financial issues free-of-charge.

Opening a Bank Account before Departure

Mr Md Shafiul Alam, Deputy Director, Department of Foreign Exchange Policy, Bangladesh Bank suggested that Bangladesh Association of International Recruiting Agencies (BAIRA) and BMET should organise training on financial literacy and raise awareness among the migrants about the importance of opening bank account before departure. He further suggested that, at the time of applying for a passport, the applicant must have a bank account and this should be made mandatory. He noted that the bank account will also work as a deposit mobilisation opportunity. *Ms Sumaiya Islam*, Director of Bangladeshi Ovivashi Mohila Sramik Association (BOMSA) expressed concern as regards women domestic workers by pointing out their vulnerability and possible exploitation through financial and physical harassment, both in the host and home countries. These women try to send home 100 per cent of their income. In the absence of any banking service available in the host country they tend to use informal channels. *Ms Islam* also emphasised the need for mandatory provision to open bank account before departure, particularly for women workers. She further suggested that banks having branches in the host countries should take initiative to mobilise salaries of the women workers.

Introducing Migrant Targeted Services such as Bonds

Several participants commented on the reduction of demand for US bonds and Wage Earners bonds. Example of the Islami Bank Bangladesh Ltd. (IBBL) concerning their migrant-targeted products was highlighted in this connection. It was mentioned that, when a migrant opens an account with Islami Bank, the bank encourages the workers to open a Deposit Pension Scheme (DPS) account. The installments for DPS are transferred automatically from the savings account. Also IBBL does not charge any fee for the bank account. By doing this the Islami Bank managed to attract a large number of migrant customers to open accounts with them. Since IBBL account holders are getting extra benefits from the DPS, they do not show interest in other government products. Yet another participant suggested that an investment fund be set up with migrant contributing a part of his/her remittance – for example, BDT 10 for every BDT 1,000 remittance. *Mr Md Sayeed Sikder*, General Manager, Pubali Bank Ltd. recommended cash incentives for expatriates, bond in taka or bonds for investment as a percentage of remittance.

Mobile Technology can Help Reducing Remittance Transfer Cost

Majority of the participants mentioned the need for cost reduction of remittance transfer. *Mr Md Sayeed Sikder* observed that there should be a minimum and uniform charge for remittances transfer. Some participants, however, felt that there should not be any charge at all for sending remittances from host countries.

In this context the need for mobile remittance was pointed out by many of the participants. *Mr Salahuddin Kasem Khan* emphasised the need to use mobile technology particularly for sending relatively small amount of remittances. He suggested that Bangladesh should follow the Philippines model of mobile remittance. He was convinced that the flow of remittance will be double with this service. He also observed that the cost of sending remittance can be reduced by using the services of government institutions, such as post offices.

Concerns were raised by *Ms Sheepa Hafiza* as regards safety of money while transferring cash through mobile services, and if it reaches the right person. She suggested for an appropriate mechanism to be put in place. Taking cue from Ms Hafiza, *Major General Sheikh Md Monirul Islam (retd)*, CE & CAO of the bKash Ltd., the most frequently used domestic money transfer service in Bangladesh, explained that mobile financial service is actually serving the population who do not have access to bank; indeed, through this instrument they are included into the domain of financial services. He suggested that, multibank collaboration can interface with the mobile financial service which would then facilitate remittance to quickly reach all corners of Bangladesh. He added that every transaction should be made through a registered account which would help the law enforcement agencies to track criminal transactions.

Policy Tools for Social Security of Migrants and their Families

Mr Md Shafiul Alam proposed introduction of a remittance card for migrants which would enable their families to avail priority medical and schooling services. Provision of such facilities would encourage the migrants to get remittance card. *Ms Sheepa Hafiza* also shared a similar view and emphasised the need for a Migrant ID Card to ensure better access to the aforesaid facilities. A senior journalist from one of the leading channels felt that insurance for migrants is important. Suggestion was also made to the government to introduce an investment loan equivalent to the amount of remittance sent. It was felt that the Bangladesh Bank could play an important role in this regard.

Mr Syed Mahub Elahi, Chairman, Ovbashi Karmi Kallyan Foundation (OKKAF) observed that irregular workers, particularly women, are forced to remain undocumented. He asked for policies that will ensure social protection of these migrant workers.

Policy Tools for Financial Inclusion of Migrants and their Families

Ms Sheepa Hafiza stressed the need to identify more doable mechanisms for financial inclusion of migrant workers and their facilities. She suggested not to provide them service in consideration that they are poor, but to search for ways so that they feel that they are contributing to the national development. She also noted that financial inclusion mechanism should address the concerns of women and children as well. In this connection she mentioned that most people go for *hundi* because of higher exchange rates. Drawing from her experience in Dubai, she informed that migrants are not aware of various channels available for them for sending remittance. She urged the need for financial literacy among the migrants both at home and host countries. *Professor Ishrat Shamim* of the Department of Sociology of Dhaka University and the President, Centre for Women and Children Studies (CWCS) suggested that remittance transfer-related issues ought to be included in financial education curriculum.

An interesting concept came from *Mr R Q M Forkan*, Deputy Managing Director, NBR Global Bank Limited, who suggested that a location map should be prepared showing where migrant families live in various countries so that banks can reach them easily. This would facilitate their inclusion in the banking system in respective regions. He also suggested the need to create awareness among migrant workers about the importance of financial inclusion. *Dr Wazedul Islam Khan*, General Secretary of Bangladesh Trade Union Kendra suggested to strengthen pre-departure training for workers depending on the type of work they would be expected to do in the host country. *Dr Anwara Begum*, Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS) suggested to use both Bangla and English in pre-departure orientation courses. Those who are going to work in Arab-speaking countries should be taught functional Arabic language, she added.

Institutional Arrangements for Fair Migration and Reduction of Migration Cost

Former Finance Minister *Mr M Syeduzzaman*, also a Member of CPD Board of Trustees, felt the need for strengthening institutional arrangements for sending migrants overseas. He mentioned about recent news in the media about deaths of migrants in the deep sea. He felt that it was important to find out what difference the government-to-government (G2G) system brought in dealing with migration. He stressed the need to make G2G work. He also stressed the need for cooperation among relevant agencies and suggested to set a minimum cost for migration. *Professor Ishrat Shamim* felt that recruiting agencies had an important role to play in setting up an appropriate institutional arrangement towards safe migration in both sending and destination countries. Highlighting the exploitation of migrants by middlemen in every step of the migration process she mentioned that recruiting agencies use *dalals* to identify potential migrants as they do not know the local people. This not only adds to the cost of migration, but also increases the opportunity of exploitation.

Other Issues that Called for Attention

Mr Salahuddin Kasem Khan suggested inclusion of a section on migration workers in the 7FYP. Both private sector and the government had enough funds available for migrant workers which should be put to use judiciously. In doing so, appropriate skill development should get priority, he said. *Dr Anwara Begum* emphasised the need for strengthening the Prabashi Kallyan Bank (PKB). *Dr Wajedul Islam Khan* felt that there should be a provision of compensation for migrant workers as per ILO convention in dealing with uncalled for situation such as work-related accidents (death or loss of limbs), lower payment than stipulated in contract, etc.

Mr Maksudur Rahman, Senior Vice President of Islami Bank Ltd. mentioned the steps taken by IBBL to educate expatriates in host countries and recommended that all banks should take similar initiatives. Some participants suggested that the diplomatic missions of Bangladesh in host countries should play an important role in safeguarding the interests of the migrants.

Mr Md Shafiu Alam of the Bangladesh Bank informed about introduction of a Wage Protection System (WPS) in the Middle East. According to WPS, all migrants have to have a

bank account to receive salary from the employer's bank account. He, however, expressed concern that it would be a problem for unskilled migrants who do not have legal income.

RESPONSE FROM THE MEWOE SECRETARY

In response to comments from the floor, *Mr Iftekhhar Haider*, Secretary of the MEWOE informed the participants about the success of G2G negotiation with South Korea and Malaysia with a view to reducing the cost of migration, reducing the role of middlemen and bring to a stop the practice of visa trading. He felt that there is a need for collaboration and cooperation among institutions, and among countries, to solve problems related to financial inclusion and social protection. He noted that public and private banks have an important role to play, not only in offering financial services, but also for reducing the cost of remittance.

Mr Haider informed the dialogue about the various ongoing government efforts to provide technical training and pre-departure orientation to migrants. He mentioned about G2G+ where there is a scope for the private sector to be involved in facilitating the G2G process. This was, however, still under government's consideration, he informed.

Mr Haider agreed with the participant as regards need for country-specific training for migrants. He mentioned about Korean and German TTCs in Bangladesh, and recommended that more such TTCs should be set up. Currently the government is discussing with a company in Qatar to explore the possibility of technical training of 900 Bangladeshi migrants working in Qatar. The government has proposed to provide space in its own TTCs for this type of training. Discussion is also going on with Japanese companies for country-specific training to be conducted in the German TTC in Bangladesh. He also mentioned the importance of Trainers' Training Institute which the Korean TTC had set up with financial support from the Islamic Development Bank (IDB). About opening of bank accounts for migrant workers *Mr Haider* observed that, PKB should be commercialised to address this issue. He requested the State Minister for Finance, who was present at the session, to look into the matter and expedite its implementation. In response to comments as regards loans for migrants, he said that PKB is already providing loan to migrants; however, commercialisation of the PKB will further facilitate the lending process. This loan will be free-of-charge since this was migrant workers' own money.

As regards mapping the workers' location (in 160 countries) for the purpose of facilitating banking service, he informed that the BMET website has all the related information. He further mentioned that the signed agreement with City and Guilds, a UK-based training institute, will provide trainers' training and training of workers, and this will also help identify trades where there was demand. However, this was still in the pilot phase.

The Secretary also spoke about illegal domestic workers who are dependent on agents in countries such as Malaysia. Illegal workers receive wages from agents, not directly from their employers, he informed. Also they do not receive work-related benefits as they are not covered by labour laws in destination countries. This matter needed to be closely examined by the Bangladesh Government, he noted. He also suggested to take lessons from other country experiences to design an appropriate strategy in this regard.

ADDRESS BY THE SPECIAL GUEST

Mr M A Mannan, MP, State Minister for Planning and Finance, observed that Bangladeshi migrants are relatively less skilled, and consequently they also earn less. As regards reducing the remittance charges, he mentioned that, there is now greater competition among banks and other agencies which should help reduce the charge. He felt that Bangladesh Bank has an important role to play on this issue. He assured of all types of assistance from the Ministry of Finance in this regard. On the issue of migrants spending most of their earnings in unproductive activities, such as building houses, the Special Guest said, appropriate policies should be set up to meet the needs of the migrant workers. There was a need for making attractive alternatives available, so that they can pick up the best options to invest instead of only building houses. Citing the example of insurance schemes for migrant workers in Pakistan, *Mr Mannan* suggested this to be replicated in Bangladesh. In order to avoid the service of middlemen, he stressed the need for mobile banking, and suggested that MEWOE should find out if there are other appropriate technologies available to be used in rural areas. He also appreciated the efforts of returnee migrants to set up small enterprises such as restaurants, beauty parlours, shops in the rural areas. This contributed to the economic development in those areas and ought to be encouraged, he added. *Mr Mannan* informed that, currently a number of incentive packages are offered by the government for migrants: providing preferential housing plots in RAJUK, giving them license to invest, endowing them Commercially Important Person (CIP) status, etc. He, however, agreed that the government needs to come up with more types of incentives in favour of migrant workers. *Mr Mannan* concluded by noting that the real wealth of Bangladesh is its human resources, particularly the migrant workers, and stressed that the country should make the best use of their potentials and talents.

REMARKS BY THE CHIEF GUEST

Mr A H M Mustafa Kamal, MP, Hon'ble Minister for Planning, Government of Bangladesh thanked the organisers and the distinguished guests for their interest in this important topic. Appreciating the role of migrant workers, he mentioned that without remittance it would not have been possible for Bangladesh to reach the current level of economic development. He recalled the historical perspective of migration and emphasised that there should be minimum restriction on global migration. He pointed out that the key problem concerning Bangladeshi migrants was that they are earning very low wages compared to other countries, and one of the main reasons for this was that Bangladeshi migrant did not speak English. In this connection, he suggested inclusion of English language alongside Bangla in the pre-departure training curricula for migrant workers. The Chief Guest emphasised the need for skill upgradation of migrant workers and observed that PPP could play an important role in this context. He noted that financial inclusion of migrant workers could empower them. He felt that integration of returnee migrants to the economic activities was important since they brought skills, entrepreneurial spirit and investible resources. He also noted that the 7FYP envisages to do the needful for maximising the opportunities both concerning migrant workers and remittances.

CLOSING STATEMENT

Mr Nurul Islam, BSc, Hon'ble Minister for Expatriates' Welfare and Overseas Employment responded to some of the issues raised during the floor discussion. About the channels used by migrant workers to send money, the Minister informed that he estimated that migrants send about 50 per cent of their income through remittance and 50 per cent through *hundi*. In order to address the problems related to use of these channels, the government has set up the PKB. He also mentioned that while going abroad migrants can carry up to BDT 2 lakh without any securities. He noted that if remittance was sent through the PKB, the cost will be significantly less, and also the amount of remittance to the country will increase.

The Minister informed the audience that the G2G is now called G2G+, which means now both the government and private sector are involved. He felt that the BAIRA had an important role to play in dealing with migration and hoped that soon many of its constraints will be eliminated. He assured that the government will look into the issue of reducing remittance cost significantly. He added that BMET is operated through two departments – Department of Expatriates' Welfare and Department of Skill Development Training – which has started to work, with ILO's help, to service the call of skill development of the migrants. There is a plan to establish 41 TTCs and six IMTs (Institutes of Marine Technology) with a target to reach up to the upazila level. The goal was to provide the right kind of training for prospective migrants. He opined that there is no need for the prospective migrants to study more than the HSC level; what they need is specific vocational skill development training after HSC level. In response to another query, the Minister commented that a number of scholarships are offered by the government to support study of children of migrant workers. While discussing the steps taken by the government for legal workers, the Minister observed that the issues of insurance for migrants and getting to zero cost of remittance transfer were feasible targets that could be materialised in future.

He urged the representatives of the banking and other financial sectors present at the session to think about providing formal financial services to the migrant workers and their families. He advised PKB to design and deliver a range of banking products from which migrants stood to benefit. He pointed to the example of Latin America where many countries have taken steps towards financial inclusion of the migrants as a strategy to attain high growth, speedy poverty reduction and reducing income inequality.

Before concluding, the Minister informed that the Ministry of Finance is currently involved in implementing a project on financial literacy. He also observed that recruitment regulations and services for workers' welfare have notably improved in recent years. Also recent studies have shown that migrants are able to cope with basic needs in the destination countries, but they continue to remain vulnerable to a number of risks. He assured the audience that the Ministry, Wage Earners' Welfare Board and BMET were doing their best to provide social protection to migrants. However, he conceded that much more was needed to be done if Bangladesh was to reap the maximum benefits that could originate from migration and remittance flows.

LIST OF PARTICIPANTS
(in alphabetical order)

Mr A F Shabbir Ahmad

Senior Vice-President and Head of Operations
Meghna Bank Limited

Ambassador Munshi Faiz Ahmad

Chairman
Bangladesh Institute of International and Strategic
Studies (BISS)

Mr Farooq Ahmed

Secretary General, Bangladesh Employers' Federation
(BEF) and Secretary General, MCCI

Mr Kabir Ahmed

Senior Vice-President & Head of ID
NRB Commercial Bank Limited

Mr Quamrul Ahsan

Vice President
Jatiya Sramik Federation Bangladesh (JSFB)

Ms Nurun Akhtar

Deputy Secretary & Director, Administration
Wage Earner's Welfare Board (WEWB)

Ms Namia Akhtar

Research Associate
Bangladesh Enterprise Institute (BEI)

Mr Nasrin Aktar

Programme Officer, TMSS

Ms Jasmine Akter

Information and Documentation Associate
Welfare Association of the Repatriated Bangladeshi
Employees (WARBE)

Mr Md Shafiul Alam

Deputy Director
Foreign Exchange Policy Department
Bangladesh Bank

Mr Mohammed Nurul Amin

Managing Director and CEO
Meghna Bank Limited

Mr Md Khairul Anam

Executive Member
Board of Investment (BoI)
Government of Bangladesh

Ms Maeesa Ayesha

Programme Associate, CPD

Mr Abul Kalam Azad

Director
National Accounting Wing
Bangladesh Bureau of Statistics (BBS)

Dr Subir K Bairagi

Research Fellow, CPD

Mr Khalid Hamed Bakhsh

Chief of Consular Section
Royal Embassy of Saudi Arabia

Mr Eshtiaque Bari

Research Associate, CPD

Dr Md Abul Basher

Research Fellow
Bangladesh Institute of Development Studies (BIDS)

Ms Shabina Begum

Visiting Lawyer
Bangladesh Legal Aid and Services Trust (BLAST)

Dr Anwara Begum

Senior Research Fellow, BIDS

Mr Saikat Biswas

Programme Coordinator
International Organization for Migration (IOM)

Mr Tapas Chandra Bose

Public Relations Officer
Ministry of Planning
Government of Bangladesh

Mr Suhel Choudhury

Former Commerce Secretary
Government of Bangladesh

Mr Siddiqur Rahman Choudhury

Former Finance Secretary and Team Leader
Strengthening Public Finance Management for Social
Protection Project (SPFMFSP)
Maxwell Stamp, Plc, STEPPinternationl

Mr Mohammad Masud Rana Chowdhury

Senior Assistant Chief
Ministry of Planning
Government of Bangladesh

Mr Md Ziaul Islam Chowdhury

Senior Programme Officer
Uttara Bank Limited

Mr Shakil Akhter Chowdhury

Member
Bangladesh Institute of Labour Studies (BILS)

Mr Syed Mahub Elahi

Chairman
Ovibashi Karmi Kallyan Foundation (OKKAF)

Mr Syed Manzur Elahi

Member, CPD Board of Trustees
Former Advisor to the Caretaker Government and
Chairman, Apex Group

Ms Beate Elsässer

Chargé d'affaires and Deputy Head of Mission
Political, Cultural and Economic Affairs
Embassy of Switzerland

Ms Disha Sonata Faruque

National Project Officer
ILO Country Office, Bangladesh

Mr R Q M Forkan

Deputy Managing Director
NRB Global Bank Limited

Ms Sheepa Hafiza

Director
Gender, Justice & Diversity and Advocacy and
Migration Programme, BRAC

Mr Khandker Md Iftekhar Haider

Secretary
Ministry of Expatriates' Welfare & Overseas
Employment (MEWOE)
Government of Bangladesh

Ms Nazia Haider

Senior Programme Officer
Swiss Agency for Development and Cooperation (SDC)

Mr Md Abdul Hannan

Managing Director
Bangladesh Overseas Employment and Services Limited
(BOESL)

Mr Shahadat Hossain

Education Secretary
Bangladesh Labour Federation (BLF)

Mr Anoware Hossain

President
Bangladesh Jatiyatabadi Srmik Dal (BJSJ)

Mr M Azharul Huq

Joint Secretary, MEWOE
Government of Bangladesh

Mr Md Zakir Hussain

Deputy Manager Director
Mutual Trust Bank Limited

Dr Zahid Hussain

Lead Economist
The World Bank

Mr Muhammad Shahriar Iqbal

Deputy Director
Foreign Exchange Policy Department
Bangladesh Bank

Mr Md Ashadul Islam

Additional Secretary
UN Wing, Economic Relations Division (ERD)
Government of Bangladesh

Mr Md Nazrul Islam

Senior Assistant Vice-President
AB Bank Limited

Mr Nurul Islam, BSc

Hon'ble Minister for Expatriates' Welfare & Overseas
Employment
Government of Bangladesh

Mr Shahidul Islam

Additional Director General
Bureau of Manpower, Employment and Training (BMET)
Government of Bangladesh

Mr Shakirul Islam

Chairman
Ovibashi Karmi Unnayan Program (OKUP)

Ms Sumaiya Islam

Director
Bangladeshi Ovibashi Mohila Sramik Association
(BOMSA)

Major General Sheikh Md Monirul Islam (retd)

Chief External & Corporate Affairs Officer
bKash Limited

Mr Nainul Ahsan Jewel

General Secretary
Jatiyo Shromik Jote Bangladesh

Mr Ferdous Kabir

Assistant Director
Bangladesh Financial Intelligence Unit
Bangladesh Bank

Mr Kazi Abul Kalam

Joint Secretary, MEWOE
Government of Bangladesh

Mr A H M Mustafa Kamal, MP

Hon'ble Minister for Planning
Government of Bangladesh

Mr Salahuddin Kasem Khan

President, BEF and Co-Chairman and Member
ECNSDC

Dr Wajedul Islam Khan

General Secretary
Bangladesh Trade Union Kendra

Mr Zulfiker Ahmed Khan
Head of International Division
NRB Global Bank Limited

Mr Md Nazmul Al Mamun
Assistant Vice-President
Exim Bank Limited

Mr M A Mannan, MP
Hon'ble State Minister for Finance and Planning
Government of Bangladesh

Mr Habib Miah
Vice President
Trade Union Songha

Mr Md Abdul Mannan Miah
Assistant General Manager
Remittance Division
Rupali Bank Limited

Mr Md Shahjahan Miah
Director, Technical and Vocational Education and
Training (TVET)
Dhaka Ahsania Mission

Dr Khondaker Golam Moazzem
Additional Research Director, CPD

Begum Shamsun Nahar
Director General, BMET
Government of Bangladesh

Ms Shamima Nargis
Additional Secretary (UN-1)
ERD, Government of Bangladesh

Mr Syed Nazimuddin
Senior Executive Vice President
Bank Asia Limited

Ms Nisha
Chief Technical Advisor
Promoting Decent Work through Improved Migration
Policy and its Application in Bangladesh
ILO Country Office, Bangladesh

Mr Md Ali Hossain Prodhania
General Manager
Agrani Bank Limited

Mr Kamal Quadir
Chief Executive Officer
bKash Limited

Mr Md Rafiq
Joint Secretary
Bangladesh Jatiya Sramik Federation (BJSF)

Mr Maksudur Rahman
Senior Vice President and Head of Foreign Remittances
Services Division, Islami Bank Bangladesh Limited

Professor Mustafizur Rahman
Executive Director, CPD

Mr Md Arifur Rahman
Secretary, Youth Committee
Bangladesh Free Trade Union Congress (BFTUC)

Mr Md Saidur Rahman
Research Associate
Refugee and Migratory Movements Research Unit
(RMMRU)

Mr Harun Or Rashid
Research Associate
BRAC Institute of Governance and Development (BIGD)
BRAC University

Mr Razequzzaman Ratan
General Secretary
Somajtantrik Sramik Front

Mr S Abdullah Al-Razi
Chairman, WARBE

Mr Srinivas B Reddy
Country Director
ILO Country Office, Bangladesh

Ms Sheikh Rumana
General Secretary
BOMSA

Mr Nepal Chadra Saha
General Manager
Foreign Remittance Division
Sonali Bank Limited

Ms Ummah Salma
Programme Associate, CPD

Ms Khaleda Sarkar
Centre in Charge, BOMSA

Professor Ishrat Shamim
Department of Sociology, University of Dhaka and
President, Centre for Women & Children Studies (CWCS)

Mr Abul Kashem Md Shirin
Deputy Managing Director
Dutch Bangla Bank Limited

Mr Md Sayeed Sikder
General Manager & Company Secretary
Board Division, Pubali Bank Limited

Mr M Syeduzzaman
Member, CPD Board of Trustees and
Former Finance Minister

Mr Abdul Wahed
Vice President
Jatiyo Sromik Jote (JSJ)

Mr Dan Wartonick
Team Leader (SPFMFSP)
Maxwell Stamp,Plc, STEPPinternational

Mr Shah Md Abu Zafar
President
Bangladesh Labour Federation

Ms Saraban Tahura Zaman
Researcher
Bangladesh Legal Aid and Services Trust (BLAST)

Mr Shahrear Md Zamil
Senior Assistant Vice President
BRAC Bank Limited

LIST OF JOURNALISTS
(in alphabetical order)

Mr Sultan Ahmed
Broadcaster
Radio Dhoni

Mr Manjurul Ahsan
Senior Staff Correspondent
New Age

Mr Mohammad Shamim Akhter
www.bangladesmoves.com.bd

Mr Md Nuray Alam
Senior Reporter
Asian TV

Mr Jahangir Alam
Mohona Television Limited

Mr Md Yousuf Ali
Boishakhi TV

Mr Md Habibullah
Reporter
Desh TV

Mr Jubair Hasan
Staff Reporter
The Financial Express

Mr Mehedy Hasan
Staff Reporter
ETV

Mr Md Mehedi Hasan
Arthosuchak.com

Mr Abul Hasnat
Staff Reporter
The Prothom Alo

Mr Farhad Hossain
Senior Reporter
Channel 9

Mr Ikram Hossain
Staff Reporter
RTV

Mr Reyad Hossain
Staff Reporter
The Daily Ittefaq

Mr Md Humayun Kabir
Reporter
Surjoyday

Mr Naim-ul Karim
Senior Correspondent
Xinhua

Mr Abu Khalid
Reporter
Banglanews24.com

Mr Shuvo Khan
Staff Reporter
Radio Today

Mr C M Aminul Majlish
Senior Reporter
My TV

Mr Jahadul Islam Mazumder
Staff Reporter
Ekattor TV

Mr Mohubar
Arthosuchak.com

Mr Nazmul
Reporter
Banglamail 24.com

Mr Rokonuzzaman Pias
Staff Reporter
The Daily Manab Zamin

Mr Fazlur Rahman
Reporter
The Daily Star

Mr Sadequr Rahman
Staff Reporter
Dainik Sangram

Mr Mamunur Rashid
Staff Photojournalist
The Daily Samakal

Mr Easir Arafat Repon
Reporter
The Sangbad

Mr Saifuddin
Staff Reporter
The Daily Shokaler Khobor

Mr Samir
Asian TV

Mr Koreshi Sanin
Staff Reporter
Jamuna TV

Mr Faizullah Sayeed

Reporter
BTV

Mr Abul Hasnat Shawon

Senior Broadcast Journalist, Buisness Programs
Independent TV

Mr Sharif Shaown

Reporter
The Daily Surjoydoy

Mr Faisal Shovon

Reporter
Maasranga Television

Mr Mainul Shovon

Staff Reporter
SA TV

Mr S S A Shuvo

Senior Reporter
Bangladesh Sangbad Sangstha (BSS)

Mr Md Abu Hanif Sohel

Banglavisision

Mr Jahangir Sumon

Senior Reporter
NatunSomoy.TV

Mr Kazi Sumon

Photojournalist
The Financial Express