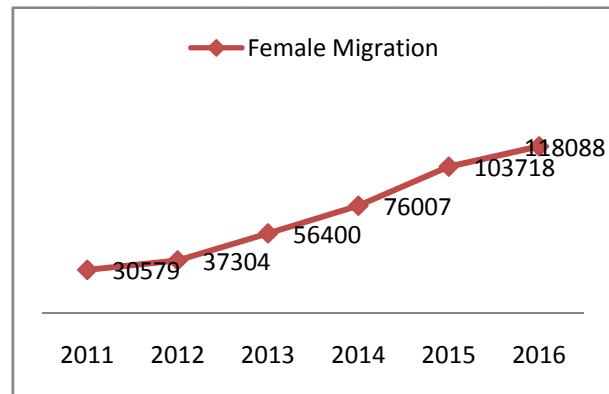
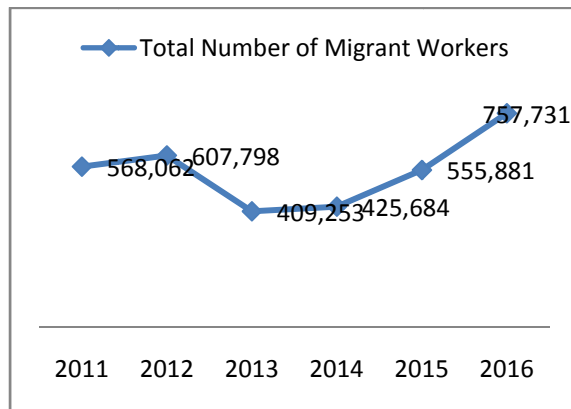


Contribution Vs Allocations: A Quest of Budget for Migrant Workers

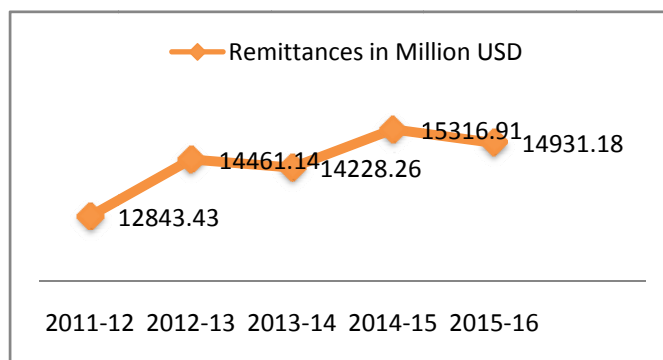


Context and Flow of labour migration from Bangladesh:

Being enriched with demographic dividend effect, Bangladesh is a source of more than 72 million workforces¹ at present; amongst them 4.3%² is unemployed and 20.31%³ underemployed. Additionally, 1.5 million⁴ new labour forces enter into the local labour market very year. Therefore, labour migration has become inevitable for Bangladesh. The government of Bangladesh also promotes overseas employment the surplus labour forces through its policy and programmes. Since 1976, more than 10 million Bangladeshi nationals have been moved to overseas employment through official channels⁵. In last five years, 3,324,409 Bangladeshi nationals headed for overseas employment through government channels. In 2016, the number was 757,731 which is 36.31% higher than 2015. The number of female migration is comparatively low in regards to the total numbers of migration. This was due to different forms of bans and restrictions till 2003. The flow of female migration has gradually been increasing after 2003. The number of female migration has increased 181% between 2006-10 and 2011-15; average annual increase is 31.65% in the last five years (2012-2016).



Contribution of Migrant Workers in the Economy of Bangladesh:



At present, Bangladesh is the 10th remittance receiving countries all over the world⁶ and it was one of the top 10 remittance receiver countries during last 15 years. In the last five fiscal years Bangladesh receives a total 71,780.92 million USD. This was 8.20 times higher than the FDIs⁷ and 6.52 times than ODA⁸. Remittances are also cut a significant portion of country's annual export. Estimations showed that remittances constitute 49.84% of

¹ World Bank Data, 2016

² BBS, 2013

³ The World Bank (2016). Labour force total.

⁴ World Bank Data, 2016

⁵ BMET Statistics

⁶ Migration and Remittance Handbook, 2016

⁷ Counted from the data available at World Bank Data

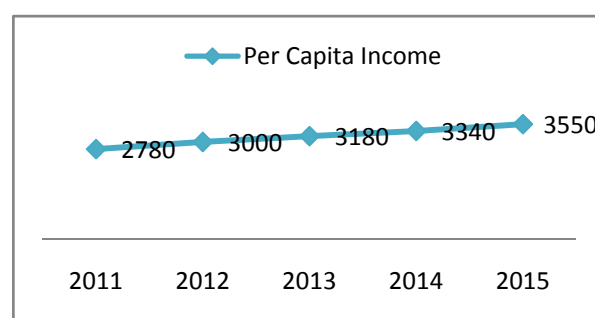
⁸ Counted from the data available at World Bank Data

total annual exports⁹. Such contribution of remittances creates immense positive impacts in Bangladesh both at macro and micro economic growth.

Remittances have a significant share in the country's GDP. In last five fiscal years, it shares on average 10.14 per cent of the national GDP¹⁰. Remittance's contribution is net without any gross expenditure. Other important GDP contributing sectors such as industrial exports and services requires more expenditures than earnings for imports of raw materials. Data indicates that the agro-based economy of Bangladesh has turned into remittance based economy after 1980s.

FYs	Amount of GDP (in Million USD)	Amount of Remittances (in Million USD)	Remittances share in GDP (in %)
2011-12	115,279	12,843.43	14.00
2012-13	133,356	14,461.14	11.14
2013-14	149,991	14,228.26	09.14
2014-15	172,885	15,316.91	08.40
2015-16	195,079	14,931.18	07.65

The steady inflow of remittances in Bangladesh has resulted in increasing per capita income. In 2011, per capita income of Bangladesh was 2,780 USD which rose up to 3,550 USD in 2015, which is an increase of 28%¹¹. Report says that remittances reduce the poverty level of Bangladesh by 1.5%. Poverty headcount scenario shows that 33.74% people remained under poverty line (1.99 USD/day) in 2000 which has declined to 12.90% in 2016.

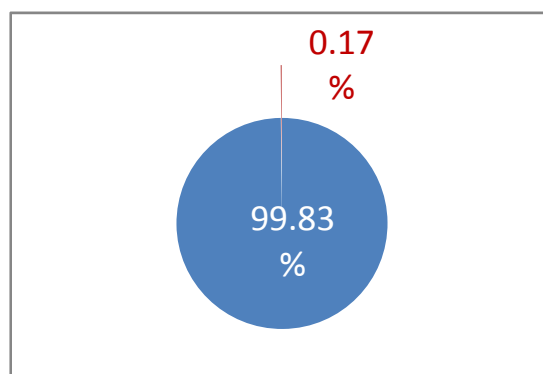


A World Bank report showed that remittance account for about 66% of the total foreign currency reserve of Bangladesh.

Apart from macro level impacts, remittances have had first hand positive impact on remittance receiving households (RRHHs). Bangladesh Bureau of Statistics (BBS) report 2013 finds remittances constitute 78% of total income of the RRHHs which increase trickle down effects in local economy, and facilitate affordability of migrants' families to education and health, improved housing and living condition and increased employment of resources in productive activities.

Budgetary Allocation for Migrant Workers in Bangladesh:

Compare to migrants' contribution to the country's economic growth, the government's allocation in national budget for migrant workers is significantly minimal. The government has allocated to the Ministry of Expatriate Welfare and Overseas Employment (MoEWOE) BDT 5.33 billion, BDT 4.38 billion and 5.59 billion in the FY 2014-15, 2015-16, and 2016-17 respectively. The average allocation of Budget for MoEWOE over last three FYs is 0.17% against the total national budget.



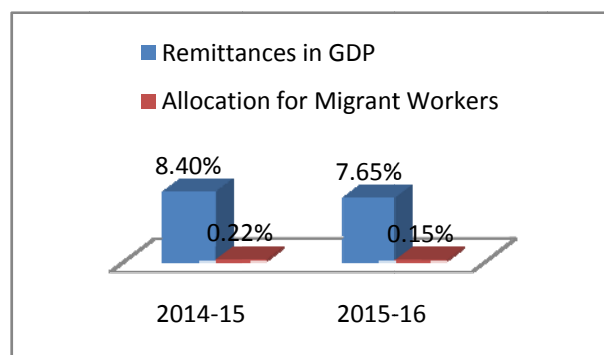
On the other hand, migrants' contribution to the GDP is 8.40% and 7.65% in FY 2014-15 and 2015-16 respectively whereas governments' budget for the MoEWOE was 0.22% and 0.15% for the same FYs.

⁹ Counted from data available at Bangladesh Bank website

¹⁰ Counted from the data available at World Bank Data

¹¹ Counted from the data available at World Bank Data

The Ministry of Expatriate Welfare and Overseas Employment stood at the 7th bottom position in regards to allocation in the national budget in FY 2014-15 and 2015-16. The breakdown of the annual budget of the Ministry shows that the revenue expenditure basically covers salaries and benefits while the capital expenditure covers asset collection, purchase, construction and infrastructure. This breakdown explicitly indicates that 'No Budget' is allocated for the direct welfare of the migrant workers.



Description	Budget 2014-15	Budget 2015-16	Budget 2016-17
Revenue Expenditure			
Pay of Officers	13,95,14	31,82,71	32,45,55
Pay of Establishment	22,35,98	50,75,78	53,67,80
Allowances	55,65,45	63,94,63	73,43,85
Supplies and Services	48,37,18	49,31,86	53,46,76
Repairs and Maintenance	4,42,00	2,57,30	3,92,79
Grants in Aid	3,47,40	4,97,50	5,74,75
Contributions to International Organization	5,00	12,00	10,00
Pensions and Gratuities	10,50,00	11,32,00	23,68,50
Block Allocations	32,00,00	30,72,00	34,37,00
Total : - Revenue Expenditure	190,78,15	245,55,78	280,87,00
Capital Expenditure			
Acquisition of Assets	97,92,33	731,378	177,900
Acquisition / Purchase of Land & Landed Properties	00	6,79,00	144,00,00
Construction and Works	243,43,05	144,57,02	116,46,00
Advances to Government Employees	88,00	88,00	68,00
Total : - Capital Expenditure	342,23,38	225,37,80	278,93,00
Grand Total	533,02,53	470,93,58	559,80,00

Impacts of insignificant allocation of Budget on Migrant Workers:

The overall findings concurs that welfare and protection of migrant workers in the national budget is rarely addressed. Insignificant allocation in national budget for migrant workers result various direct negative hazards, risks and vulnerabilities in migrants' life and families. Migrant workers' have limited access to pre-decision information as well as pre-departure orientations. For instances, out of 555,881 migrant workers, only 6.51% received pre-departure orientation in 2015.

The government has limited institutional arrangement to serve the migrant workers in destination countries. For instances, the government has established "Labour Welfare Wing" in only 26 labour receiving countries out of 161. This is to note that there are only two Labour Welfare Wings consists of four Officers in Saudi Arabia which is stock of around 2.3 million Bangladeshi migrant workers. There is no "Labour Welfare Wing" yet in Lebanon where 151,407 Bangladeshi migrant workers live. In case of Jordan, only seven Welfare Officers are posted to serve around 136,864 migrant workers. Similarly, the migrant workers have very limited access to health, legal, shelter and other emergency support and services in destination countries.

The ministry has limited capacity to provide health supports or specialized medical services for the sick returned migrant workers. It has given welfare support of BDT 2,700,000 to only 28 sick migrant workers from the welfare fund in 2015.

The ministry rarely undertakes any **programme for the reintegration** of Bangladeshi migrant workers. The government established Probashi Kallayan Bank which is supposed to facilitate reintegration loan for the returnee migrant workers. Data shows that it has given such loan to only 156 returnee migrant workers since its establishment in 2011.

Although remittances have amazing positive effects on economic growth, migrant workers have to pay high amount to transfer remittances through official channels. Therefore, many migrant workers become discouraged to send remittances through official channels. Undocumented status of many Bangladeshi migrant workers in destination countries also makes obstacles to send remittances through proper channels.

Recommendations:

The government of Bangladesh must prioritize 'Labour Migration Sector' as one of the most important sectors in regards to allocate appropriate budget for the welfare and protection of migrant workers. Different studies predict that the labour migration can turned into huge social burden if the welfare and rights of migrant workers are not protected enough through appropriate investments and interventions. This paper reflects direct demands from migrant workers flagged in the "national dialogue on migrants' budget" organized by OKUP through a congress of around 400 returnee migrant workers and the families.

Pre-departure	<ul style="list-style-type: none"> The government as like as other Gross Production Sector must invest to reduce migration cost as well pre-departure orientation in order to provide comprehensive education on country specific language, socio-cultural knowledge, rights and redress opportunities and also adaptation capacity in the destination countries
Onsite	<ul style="list-style-type: none"> The government must allocate adequate budget to establish adequate number of Labour Welfare Wings with proportionate number of human resources for extending necessary welfare supports i.e. rescue, health, legal, repatriation etc. to the migrant workers abroad The government must invest to Reduce Remittance Transfer Cost and make the transfer more easier for all so-called documented and undocumented migrant workers
Upon Return	<ul style="list-style-type: none"> The government must allocate adequate budget for the returnee migrant workers for appropriate social reintegration for the deceived, exploited and unsuccessful migrant workers both men and women. For this, the government must establish "Special Reintegration Center" for free Emergency Services i.e. health, legal, repatriation, and also special Allowances The government must allocate adequate budget to initiate special economic reintegration programme for the returnee migrant workers through introduce 'Special Incentives Programmes' or 'Interest Free Seed Money' or 'Matching Fund' with affordable collaterals The government must allocate "Special Quota in government Service" for the children of the migrant workers

This study paper is prepared by OKUP through intensive desk research by Shakirul Islam and Akib bin Anwar in April 2017.



Ovbashi Karmi Unnayan Program (OKUP)
Sawdagar Garden (4th Floor),
Dania Post Office Road
Jatrabari, Dhaka - 1236, Bangladesh

Tel: +88 02 755 3737
Cell: +88 01819 22 4308
Email: okup.ent@gmail.com
Website: www.okup.org.bd
fb: www.facebook.com/okupent