NEW WELFARE SCHEMES FOR MIGRANT WORKERS IN LIGHT OF GLOBAL GOOD PRACTICES

JUNE 2022

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ACRONYMS AND ABBREVIATIONS

BAIRA	Bangladesh Association of International Recruiting Agencies
BBS	Bangladesh Bureau of Statistics
BDT	Bangladeshi Taka
BEF	Bangladesh Employers' Federation
BEZA	Bangladesh Economic Zone Authority
BEPZA	Bangladesh Export Processing Zone Authority
BHTPA	Bangladesh High-tech Park Authority
BIDA	Bangladesh Investment Development Authority
BLA	Bilateral Labour Agreement
BMET	Bureau of Manpower, Employment and Training
BOESL	Bangladesh Overseas Employment and Services Limited
CMIS	Centralised Electronic Management Information System
CSO	Civil Society Organisation
COD	Country of Destination
DBP	Development Bank of the Philippines
DC	District Commissioner
DEMO	District Employment and Manpower Office
DFS	Digital Financial Service
DFSP	Digital Financial Service Provider
DHSP	Digital Health Service Provider
ECR	Emigration Check Required
EEDT	Enhanced Entrepreneurial Development Training
EDLP	Enterprise Development and Loan Program
ELR	Enterprise Loan for Reintegration
FDI	Foreign Direct Investment
FYP	Five Year Plan
GED	General Economic Division
ICM	India Centre of Migration
ICWF	Indian Community Welfare Fund
ILO	International Labour Organisation
ILC	International Labour Council
IMT	Institute of Marine Technologies

ITC-ILO	International Training Centre of the ILO
JBC	Jiban Bima Corporation
LBP	Land Bank of the Philippines
MFS	Mobile Financial Service
MIS	Management Information System
MOEWOE	Ministry of Expatriates' Welfare and Overseas Employment
MOFA	Ministry of Foreign Affairs
MoU	Memorandum of Understanding
NBFI	Non-bank Financial Institution
NCCWE	National Coordination Committee on Workers Education
NGO	Non-government Organisation
NSDA	National Skills Development Authority
NTVQF	National technical and Vocational Qualification Framework
OFW	Overseas Filipino Worker
ORP	OFW-Reintegration Program
OWRC	Overseas Workers Resource Centre
OWWA	Overseas Workers Welfare Administration
PBBY	Pravasi Bhartiya Bima Yojana
Php	Philippine Peso
PKB	Probashi Kallyan Bank
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
SPA	Special Power of Attorney
SSA	Social Security Agreement
TPC	Total Project Cost
TTC	Technical Training Centre
TVET	Technical and Vocational Education and Training
UN	United Nations
UPS	Universal Pension Scheme
USD	United States Dollar
WEWB	Wage Earners' Welfare Board

PREFACE

In today's global economy, workers are increasingly in search of decent work and better livelihoods beyond their home countries. There are currently an estimated 258 million international migrants and 740 million internal migrants in the world. Women make up half of all international migrants (48.4 %).[1] Overseas employment remains a priority for Bangladesh in years to come. Over the past five years including the pandemic period, on average, close to 700,000 Bangladeshis have emigrated overseas for employment every year.[2]

Bangladesh government under the auspices of Ministry of Expatriate Welfare and Overseas Employment (MoEWOE) prioritized the overseas employment and created opportunities to Bangladeshi citizens for accessing job opportunities and change their lives and livelihood. Since 2010 with the enacting law to form a dedicated financial institution for migrant workers, a complete legal and institutional framework have been built, where social protection and wellbeing of the migrant workers is set as a priority. The latest addition to the set of welfare measures for migrant workers is mandatory insurance subsidized by the government.

In the above context the government felt necessary to improve and expand the welfare system for the migrant workers. In the light of implementation of targets of Eighth Five Year Plan, new welfare products will ensure better wellbeing of the migrant workers and their families.

This paper presents fours new welfare products for the migrant workers and their families keeping in mid the priorities in the labour migration life cycle:

a. Health Insurance of Migrant Workers and Their Families: covering the healthcare needs of a migrant workers during their stay in country of destinations, during leave and after returning home, including the family members of the migrant workers.
b. Mobile App for Digital Financial services for Migrant Workers: this will ensure access to financial services during the stay of migrant worker in the country of destination.
c. Entrepreneurship Loan for Reintegration: After completing the job contract or sudden return, a migrant worker will be able to access to training and financial facilities for entrepreneurship.
d. Contributory social pension scheme: this will ensure further the financial security of the migrant workers and their families after retirement.

The government strongly believes that taking diligent care of the migrant workers is a constitutional obligation and it pays offs for the economic prosperity. The MoEWOE is planning to launch at least two products by the International Migration Day to be celebrated in December 2022.

The paper will facilitate the process of design of new welfare products and facilitate Bangladesh moving toward a Smart Bangladesh by 2041.

[1] ITC (2021). Training Toolkit on Establishing Fair Recruitment Processes – Module 2: The legal and normative framework for fair recruitment. Pg.15
[2] BMET 2022. Website

B. Background

Migrant Workers from Bangladesh have been playing a significant role in the national economy of Bangladesh through sending remittances, improving the foreign exchange reserve, and easing pressures in the domestic labour market. However, in many destination countries migrant workers encounter the problem of extremely limited access to social protection coverage.' Inclusion of migrant workers in the destination country's social protection coverage remains a challenging task. Like other countries, Bangladesh has also had to embrace many returnee migrants during the COVID-19, and research reveals that migrant workers tend to have lack of savings and debt burden with them while returning. There are multiple reasons for this small rate of savings and debt burden among migrant workers. Migration loan repayment, household consumption of family members left in Bangladesh, limited access of medical services at destination countries which led to spending on medical services at destinations, lack of savings schemes for migrant workers etc. could be some of the reasons for the small savings rate.

Bangladesh Government has introduced the 'mandatory insurance' for every outbound worker in 2018 which ensures a certain level of social protection of migrant workers, in case of partial and full disabilities during job contract. This insurance scheme protects the migrant workers fell into vulnerable situations. However, this scheme does not ensure economic reintegration of migrant workers on their return to home. Without substantial savings it would be always difficult for migrant workers to reintegrate themselves economically. In particular, studies show that women migrant workers had extraordinarily little savings upon their returns.

Besides this lack of welfare/savings schemes for migrant workers in Bangladesh, the migrant workers also face difficulties to access existing savings schemes of the country. Migrant workers, especially migrant workers with limited earning did not benefit from the existing 'Wage Earners' Bond'. The reasons are yet to be explored.

The countries globally and in the region, which are sending their citizens for overseas employment, have introduced several welfare schemes to address their vulnerabilities. For example, India, the Philippines have strong social protection coverage for migrant workers.

Scope of Work

The specific scope of work is as follows:

1. As assessment of existing welfare and saving schemes for migrant workers in Bangladesh
2. A Review of best practices to other working sending countries (e.g., India or the Philippines)
3. Recommendations for introduction of welfare schemes in the following areas:
    a. Diversified savings instruments
    b. Diversified credit products
    c. Diversified insurance schemes
    d. Diversified investment schemes

The new products/ instruments should cover three stages of labour migration cycle.

1. Pre-departure
2. During employment
3. After return.

4. Identification of challenges of existing welfare schemes and recommendations for their improvement in terms of coverage and effectiveness.
5. Recommending structures of welfare schemes or saving schemes for migrant workers.

C. Importance of Welfare of Migrant Workers

Bangladesh is one of the largest migrant-sending countries in the world. It is currently the sixth largest migrant-sending country globally and the eighth largest remittance-receiving country in 2021. Total 14.14 Bangladeshis went overseas to work in 165 countries since 1976 1976-2022], amongst them 1.05 million women migrant workers [1991-2022][3]. The remittance volume in 2021 is USD 22.07 Billion, amounting to 40% of the total foreign exchange earnings of Bangladesh [BMET, 2022]. The remittance sent by migrant workers play a significant role in macro-economic stability, in terms of stability of balance of payment. The overseas employment also a source of stability of domestic employment market. As an example, the 7FYP target was to create some 2.2 million domestic jobs each year, however actual job creation is estimated at 1.2 million per year. On the other hand, job creation abroad was way above the target (0.7 million per year as compared with the target of 0.4 million. [GED, 2020, pg. 33].

Considering the importance of overseas employment sector, the government in 8FYP has taken a paradigm shift agenda for the sector, where welfare of migrant workers is a major thrust area. Under its 10-point agenda, the government has an extensive plan for improving services and welfare coverage for the migrant workers [See Annex A].

This document presents three specific products for financing the welfare of migrant workers, in healthcare, investment and comprehensive digital financial services.

D. National and International Framework on Welfare of Migrant Workers

D.1 National Legal and Policy Framework of Welfare of Migrant Workers

A Wage Earners Welfare Fund was created in 1990 to support and ensure social protection of migrant workers and their families. The arrangement of welfare of migrant workers was formalized in 2018 through establishment of the Wage Earners' Welfare Board, a statutory body through the Wage Earners Welfare Board Act 2018. The benefits/services provided by the WEWB include:

a. For aspiring migrant workers: pre-departure briefing, welfare desks, loans (through the Probashi Kallyan Bank).
b. For deceased migrant workers and their families: financial grant (300,000 BDT) for death compensation, burial of dead body, carrying and burial.
c. For disabled/sick migrant workers: financial assistance (medical care following an accident or sickness of 100,000 BDT), ambulance costs.
d. For families of migrant workers in the country: scholarships, certificates of admission to educational institutions, resources to protect migrant workers, welfare desks (DEMO and DC Offices).
e. For migrant workers abroad: safe homes, legal assistance, educational institutions in certain countries for children of workers abroad, Prabhas Bondhu Call Centers, and repatriation of female workers in distress.

The Probashi Kallyan Bank, a state-owned scheduled bank, was established in 2010 to provide collateral-free loans to workers going abroad for employment, to provide loan to returnees to help them during the re-integration phase, to

[3] BMET Website: Data of migrant workers is updated till April 2022.

facilitate the transfer of remittances and to encourage the wage earners to invest in the country. In 2018, the Wage Earners' Welfare Board provided BDT 3.80 billion to PKB for reserves and emerge as a commercial bank.

Bangladeshi missions abroad host Labour Welfare Wings in collaboration with the WEWB to provide services/benefits to migrant workers abroad. There are presently 29 Labour Wings in the Bangladesh Missions abroad. The WEWB plans the addition of another 21 Labour Wings in the future.

The services provided by the Labour Welfare Wings include:

a. Repatriation of dead bodies
b. Legal assistance
c. Financial assistance to sick workers
d. Return of disabled workers
e. Recreation of Bangladeshi workers
f. Repatriation of women in difficult conditions
g. Safe home establishment, and
h. Management of educational institutions abroad.

D.2. International Framework of Welfare of Migrant Workers

The UN Convention titled 'International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990 (ICRMW)' is the most comprehensive international treaty in the field of migration and human rights, including social protection [Box 1]. This is a binding instrument in form of treaty when a country ratifies it. Bangladesh ratified this convention in 2011. It is an instrument of international law meant to protect one of the most vulnerable groups of people: migrant workers, whether in a regular or irregular situation. Adopted in 1990 by the United Nations (UN) General Assembly, it sets a worldwide standard in terms of migrants' access to fundamental human rights, whether on the labour market, in the education and health systems or in the courts. At a time when the number of migrants is on the rise, and evidence regarding human rights abuses in relation to migration is increasing, such a convention is a vital instrument to ensure respect for migrants' human rights.[4]

The issue of welfare has also been central to discussions at the Colombo Process, a major platform for collaboration among major sending countries, where there is a process of periodic dialogue with the governments and employers in CODs. The inter-regional dialogue titled Budapest Process also stresses about social protection. The Budapest Process is an inter-regional dialogue on migration stretching from Europe to the Silk Routes region (Afghanistan, Bangladesh, Iran, Iraq, and Pakistan) also covering Europe's Eastern neighbors, the Western Balkans, and Central Asia. Founded in 1993 the Budapest Process is Europe's leading and longest-standing dialogue on migration. The Budapest Process offers practical support to countries within the Silk Routes Project by offering a platform for learning and training between peers as well as for facilitating concrete project development and cooperation. In the sixth ministerial meeting held in Turkiye in 2019 mentioned about social protection, in Priority Goal 3.4, 'Support the access of regular migrants and refugees to relevant services including where appropriate.'

Welfare is also at the heart of various ILO Conventions, including Convention No. 97 on Migration for Employment (Revised) 1949, Convention No. 143 on Migrant Workers (Supplementary Provisions), 1975, and Convention No. 181 on Private Employment Agencies, 1997. The ILO Social Protection Floors Recommendation, No. 202, adopted by the ILC in June 2012, complements the above-mentioned ILO Conventions and Recommendations. Bangladesh did not

[4] Introduction: The UN Convention on Migrant Workers' Rights (Chapter 1) - Migration and Human Rights (cambridge.org) https://www.cambridge.org/core/books/abs/migration-and-human-rights/introduction-the-un-convention-on-migrant-workers-rights/07E34D9F5D2C1A8B4A09ED19F259BF7A

ratify above three conventions as Bangladesh signed the overarching UN Convection ICRMW 1990. However, Convention No. 181 on Private Employment Agencies, 1997 and Domestic Workers Convention, 2011 (No. 189) can play a key role in further improving migration governance as well as protecting Bangladeshi migrant workers. Should there be bilateral or multilateral agreements in place providing for higher levels of protection, or should the countries concerned be parties to international or regional Conventions containing more favorable requirements regarding migrants' social security rights (e.g., ILO Conventions No. 118 and No. 157), these would prevail.

ILO's approach to enhance migrant workers' social protection involves:

1. To promote the ratification and application of ILO standards provided in its Conventions and Recommendations relevant to migrant workers and their social protection.
2. To support the conclusion of social security agreements (bilateral/multilateral - treaties which coordinate the social security schemes of two or more countries to provide equality of treatment in respect of social security, as well as access to and preservation and/or portability of social security entitlements (ILC 2011 Conclusions), using the Annex of the Maintenance of Social Security Rights Recommendation, 1983 (No. 167) as a model Agreement for the coordination of bilateral or multilateral social security instruments.
3. To support unilateral measures: countries of employment can provide unilaterally equality of treatment between nationals and non-nationals as regards social security coverage as well as the payment of benefits abroad. Also, countries of origin can provide to their nationals working abroad access to national schemes, or migrant-specific schemes, either on a mandatory or voluntary basis, and/or welfare funds.
4. To promote the inclusion of social security provisions in temporary labour migration programmes or bilateral labour agreements using the Annex of the Migration for Employment Recommendation, 1949, (No.86) as a model agreement.
5. To support the establishment of national social protection floors to ensure basic social security guarantees to migrants and their families and palliate the lack of coordination arrangements between countries in respect of any branch of social security.
6. To explore community-based mechanisms when implementing social protection schemes for migrant workers.

Box 1: International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990 (ICRMW): Social Protection

Article 43

1. Migrant workers shall enjoy equality of treatment with nationals of the State of employment in relation to:

    a. Access to educational institutions and services subject to the admission requirements and other regulations of the institutions and services concerned.
    b. Access to vocational guidance and placement services.
    c. Access to vocational training and retraining facilities and institutions.
    d. Access to housing, including social housing schemes, and protection against exploitation in respect of rents.
    e. Access to social and health services, provided that the requirements for participation in the respective schemes are met.
    f. Access to co-operatives and self-managed enterprises, which shall not imply a change of their migration status and shall be subject to the rules and regulations of the bodies concerned.
    g. Access to and participation in cultural life.

2. States Parties shall promote conditions to ensure effective equality of treatment to enable migrant workers to enjoy the rights mentioned in paragraph 1 of the present article whenever the terms of their stay, as authorized by the State of employment, meet the appropriate requirements.

3. States of employment shall not prevent an employer of migrant workers from establishing housing or social or cultural facilities for them. Subject to article 70 of the present Convention, a State of employment may make the establishment of such facilities subject to the requirements generally applied in that State concerning their installation.

https://www.ohchr.org/en/instruments-mechanisms/instruments/international-convention-protection-rights-all-migrant-workers

The UN Global Compact for Migration and Budapest Process also focuses on the wellbeing of migrant workers. On 19 September 2016 Heads of State and Government came together for the first time ever at the global level within the UN General Assembly and adopted the New York Declaration for Refugees and Migrants, Annex II of the New York Declaration set in motion a process of intergovernmental consultations and negotiations towards the development of a Global Compact for Safe, Orderly and Regular Migration. The Global Compact is the first inter-governmentally negotiated agreement, prepared under the auspices of the United Nations, covering all dimensions of international migration in a holistic and comprehensive manner. The Global Compact is framed in a way consistent with target 10.7 of the 2030 Agenda for Sustainable Development in which Member States committed to cooperate internationally to facilitate safe, orderly, and regular migration [Box 2].[5] The GCM offers a cooperative framework, comprising twenty-three objectives, implementation, as well as follow-up and review. Each objective contains a commitment, followed by a range of actions considered to be relevant policy instruments and best practices. To fulfil the twenty-three objectives, Member States commit to draw from these actions to achieve safe, orderly, and regular migration along the migration cycle.[6]

Box 2. The GCM commitment of the members states related to social protection

Objective 21. (h) Facilitate the sustainable reintegration of returning migrants into community life by providing them with equal access to social protection and services, justice, psychosocial assistance, vocational training, employment opportunities and decent work, recognition of skills acquired abroad, and financial services, in order to fully build upon their entrepreneurship, skills and human capital as active members of society and contributors to sustainable development in the country of origin upon return.

Objective 22. (a) Establish or maintain non-discriminatory national social protection systems, including social protection floors for nationals and migrants, in line with the ILO Social Protection Floors Recommendation, 2012 (No. 202).

Objective 22. (b) Conclude reciprocal bilateral, regional or multilateral social security agreements on the portability of earned benefits for migrant workers at all skills levels, that refer to applicable social protection floors in the respective States and applicable social security entitlements and provisions, such as pensions, health care or other earned benefits, or integrate such provisions into other relevant agreements, such as those on long-term and temporary labour migration.

Objective 22. (c) Integrate provisions on the portability of entitlements and earned benefits into national social security frameworks, designate focal points in countries of origin, transit and destination that facilitate portability requests from migrants, address the difficulties women and older persons can face in accessing social protection, and establish dedicated instruments, such as migrant welfare funds in countries of origin, that support migrant workers and their families.

Source: https://www.un.org/en/migration2022/global-compact-for-migration

[5] https://www.iom.int/global-compact-migration

[6] https://www.un.org/en/migration2022/global-compact-for-migration

E. Review of Good Practices in Migrant Welfare

D.1.India[7]

Pravasi Kaushal Vikas Yojana Fund: This fund is introduced to provide emergency cash support. The fund was launched jointly by from Indian missions, the Indian Community Welfare Fund (ICWF), and the e-migration project, Overseas Workers Resource Centre (OWRC), for the migrant workers.

Pravasi Bhartiya Bima Yojana (PBBY) is a mandatory insurance scheme for welfare of overseas workers in Emigration Check Required (ECR) Countries. It provides insurance cover of up to Rs. 1 million in cases of work-related death or permanent disability Insurance under the scheme is available with one time premium of Rs. 275 and Rs. 375 for two and three years, respectively.

Table 1. Features of Pravasi Bharatiya Bima Yojana (PBBY): Indian Mandatory Insurance Scheme for Migrant Workers

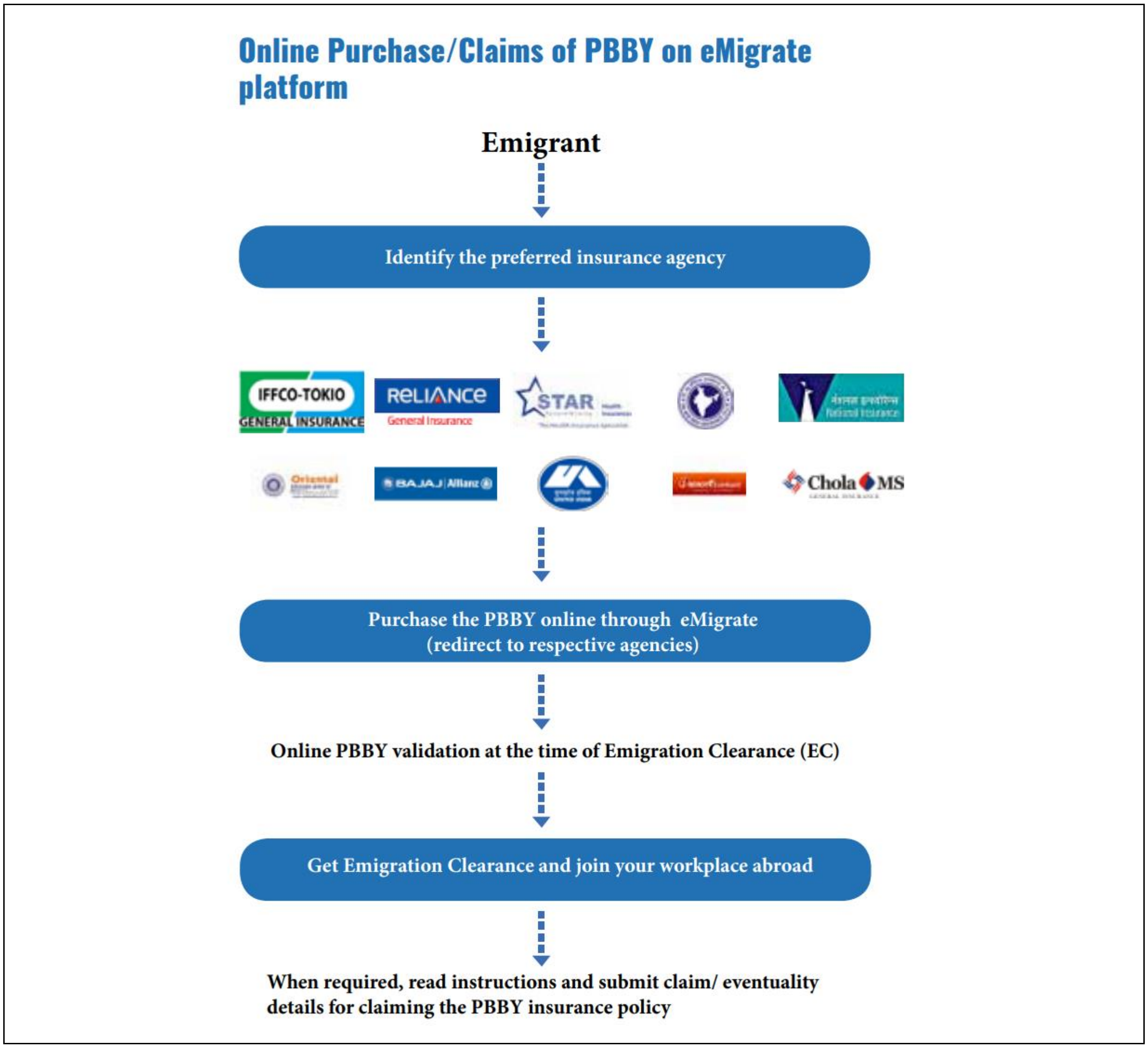
Coverage	Amount of Coverage
Insurance cover in the event of death or permanent disability leading to loss of employment while in employment abroad	Rs. 1 million
Repatriation Facilities in case of death	Actual cost of transportation of the Insured's mortal remains to India.
The travel cost for one attendant, in case of death	Actual economy class return air fare
Repatriation expenses if the emigrant worker is not received by the employer or on premature repatriation	Actual one-way economy class air fare
Medical insurance cover in case of hospitalization of the Insured worker	Up to Rs.75000
Hospitalization cover to family in event of death or permanent disability of insured person	Up to Rs.50000
Maternity benefit to female emigrants	Up to Rs.25000
Legal Expenses incurred by the emigrant worker in any litigation relating to the employment both in CoD and CoO	Up to Rs.30000

Premium of this insurance is lower than of similar product launched in 2019 and coverage is broader than Bangladeshi one. Unlike Bangladeshi mandatory insurance scheme, this scheme offers medical coverage up to Rs, 75,000 and hospitalization coverage of the family of the workers who dies or became permanently disabled. This scheme covers up to Rs, 25, 00 maternity benefit for female migrants and Rs. 30,000 legal expenses in litigation related to employment. Bangladesh may consider new insurance scheme or expand the coverage of existing scheme, taking example of India.

[7] Revised_ICM_Booklet_17032017.pdf (mea.gov.in): https://mea.gov.in/images/Revised_ICM_Booklet_17032017.pdf

A migrant worker can purchase of claim benefits of the insurance scheme online using e-Migrate portal (www.emigrate.gov.in). The process is quite simple [see Figure 1].

Figure 1. Process of Purchase/ Claim of PBBY on eMigrate Platform of India



Indian Community Welfare Fund: The fund aims to assist Overseas Indian nationals in distress on a 'means tested' basis [Box 3]. This fund is established in all Indian Missions and Posts abroad. Over 80,000 Indian migrant works received its benefit. This fund allows Indian Missions/Posts to meet contingency expenditure. Specific activities of the fund include:

a. Air passage to stranded Indians
b. Boarding & lodging
c. Initial legal assistance
d. Emergency medical support
e. Airlifting of mortal remains.

Box 3. Notable Utilization of the Indian Community Welfare Fund

1. Evacuations: Iraq (6258 persons), Libya (3617 persons), Yemen (6710 persons) and South Sudan (155 persons)
2. Saudi Arabia: Welfare & assistance to undocumented workers during Nitaqat
3. UAE: Construction of Crematorium/burial ground (Sharjah), multipurpose centre and crematorium (Ajman) and Auditorium & Social Centre (Umm Al Quwain)
4. Dubai, UAE: Indian Workers Resource Centre - 24 x 7 helpline; four new centres approved for Riyadh, Jeddah, Sharjah & Kuala Lumpur
5. Kuala Lumpur, Malaysia: Setting up of a 24x7 helpline; shelter-cumcounselling centre for distressed Overseas Indians
6. Seychelles: Repatriation of 19 Indian fishermen.

D.2. Philippines[8]

MEDplus: Supplemental Medical Assistance for Overseas Filipino Workers (OFWs): MEDplus is designed to provide supplemental medical relief for active migrant workers (member of Overseas Workers Welfare Administration [OWWA]) and policy holder of PhilHealth, who fell sick and were hospitalized, either at the job sites or while in the Philippines. It is a financial assistance that aims to provide eligible workers with relief in the payment of their hospital/medical bills that is equivalent to the PhilHealth benefits under its case rate system but not to exceed Fifty Thousand Pesos (Php 50,000.00 or USD 896 in exchange of July 25, 2022) per member.

Overseas Filipino Workers – Enterprise Development and Loan Program (OFW-EDLP): Formerly known as OFW-Reintegration Program (ORP), OFW-EDLP is an enterprise development intervention and loan facility of OWWA, in partnership with Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP), intended to support enterprise development among OFWs and their families. Eligibility criteria are present in Box 4.

Eligible Projects:

Franchising business	Contract tie-up with top 1,000 corporations	Agri- and non-agri production/manufacturing with identified market linkage and raw material sources;
Construction/rental business.	Service/trading business	Transport service
Any viable project whether existing or new, that should generate a net cash flow sufficient to pay the projected amortization of the loan (or resulting into debt service ratio of at least 1).		
Eligible Loan Purposes:	Working Capital	Fixed Asset Acquisition
Project Cost Sharing:	a. Borrower's Equity – Minimum of 20% of the Total Project Cost (TPC).	b. Loan – Maximum of 80% of the TPC.

[8] OFW-EDLP – Overseas Workers Welfare Administration (owwa.gov.ph): https://owwa.gov.ph/?page_id=3728

Loan Amount: The loan amount depends on project needs and amount of equity participation of the borrower:

	For Individual Loan Borrowers (single proprietorship)	Group Loan Borrowers (partnerships, corporations, cooperatives)
Minimum	Php 100,000.00	Php 100,000.00
Maximum	Php 2,000,000.00	– Php 5,000,000.00
Interest Rate:	7.5% per annum for the entire duration of the loan	
Loan Repayment:	Short-Term- max of one (1) year.	Term Loan: based on cash flow but not to exceed 7 years, inclusive of maximum of 2 years grace period
Loan Security/Collateral	Object of financing	Mortgage able project assets (machines or equipment) and other assets of the borrower

Box 4. Qualification for Enterprise Development and Loan Program for OFWs in Philippines

1. An OFW who is a certified OWWA Member, active or non-active, and has completed the Enhanced Entrepreneurial Development Training (EEDT).
2. OFWs who are abroad or are about to leave the Philippines may be represented by the following:
   a. If the OFW is single, widow or widower; or separated-in-fact, by:
      i. Parents who are not more than sixty (60) years old upon maturity of load; or
      ii. Children who are at least eighteen (18) years old at the time of loan approval.
   b. If the OFW is married, by the legal spouse.

   OFWs who are currently employed overseas shall execute a Special Power of Attorney (SPA) duly authenticated by the appropriate Philippine Embassy / Consulate. OFWs who are about to leave the Philippines may execute a Special Power of Attorney (SPA) prior to their departure from the Philippines. The Attorney-in-fact shall transact with LBP or DBP on behalf of the borrowing OFW by virtue of the SPA.

3. If the OFW or his / her Attorney-in-fact is more than 60 years old upon loan maturity, a co-maker of the loan shall be required. The co-maker may be the sibling or the children (of legal age) of the borrowing OFW with the capacity to pay and whose age should not be more than 60 years old upon loan maturity.
4. OFW returnees may avail of the loan program within three (3) years from the date of arrival to the Philippines, except in cases where the OFW-applicant has an on-going business prior to the time of application.
5. Only one (1) OFW per family, within the first degree of consanguinity or affinity (parent, spouse, child) shall be eligible to apply under the program.
6. Group of OFWs who formed themselves into a business entity, either as partnerships/stockholders /directors/officers /members are OFWs who have been certified as OWWA Members and have completed the EEDT.

Reintegration is one of the ten-point agenda in Eighth Five Year Plan [8FYP] (see Annex A. Agenda 10). Agenda 10.b. states, 'The Ministry will establish an inter-ministerial and inter-agency/department "referral mechanism" for the sustainable reintegration of the returnee and will develop and implement a package of support for returning migrant workers, including social and psychosocial reintegration, entrepreneurial skills training, job placement and skills assessment to assist their reintegration into the domestic labour market."

Launching of comprehensive entrepreneurship development program along with entrepreneurial loan facilities would be one of the takeaway form Filipino experiences.

Emergency Employment Program: Philippines launched is a community-based (municipality) package of assistance that provides emergency employment for displaced workers, unemployed and seasonal workers for a period of 10 to 30 days. This scheme allows the returnee migrants absorb shock of financial disarray and lack of income.

F. Review of Selected Welfare Products Available in Bangladesh

The welfare products are designed and delivered by WEWB and delivered by itself or the agencies under the MoEWOE. The list of welfare products in presented in Box 5.

Box 5. List of benefits and services provided by the Wage Earners' Welfare Board

This list of benefits and services has been extracted from the English website of the WEWB.

For aspiring migrant workers

a. Pre-Departure Briefing
b. Welfare Desks
c. PKB (loans)

For deceased migrant workers and their families

a. Financial Grant for death compensation (300,000 BDT)
b. Burial of Dead Body
c. Carrying & Burial Cost

For sick migrant workers

a. Disabled/Sick Financial Assistance
b. Ambulance help

For families of migrant workers in the country

a. Scholarships
b. Certificates for admission to educational institutions
c. Resources to protect migrant workers
d. Welfare Desk (DEMO & DC Office)

For migrant workers abroad

a. Safe Home
b. Legal Assistance
c. Educational institutions for the children of workers abroad
d. Prabanshbandhu Call Center
e. Bringing women workers back to the country
f. Membership
g. Setting up Digital Center

Other services

a. Distressed Migrant Workers
b. Awareness campaign
c. Activists detained abroad removal
d. IT Services
e. Due to the political situation prevailing in different countries support activities
f. Budget for Embassies / Missions
g. Budget delivery in DEMO
h. One-stop service
i. Online communication with Bangladesh mission
j. International Migrants Day
k. Others

Source: GOB (2018) Review of social protection benefits for Bangladeshi migrant workers and their dependents

The non-profit sector as well as International Agencies also offer services designed towards the migrant workers, not necessarily directly connected to welfare. Table 2 presents the services provided by some of the non-profit and international agencies. BRAC, INCIDIN, IOM, OKP, RMMRU, WARBE provide non-financial and financial welfare related services.

Table 2. Services provided by the Non-profit organizations and International Agencies

Organizations	Service Name	Source
Bangladesh Institute of Labour Studies [BILS]	Migrant Workers Empowerment Project	https://bilsbd.org/ilo-migration-project/
	Service centers for Migrant Workers	
	Counseling,	https://bilsbd.org/safety-net-for-workers-project/
	Capacity development	
	Trainings	
	Returnee Female Migrants	
BRAC	Emergency assistance for returnee migrants	https://www.brac.net/program/migration/
	Hard & soft skills training	
	Psycho-social counseling	
	In-kind support to returnee migrants	
	Safe & Ethical Recruitment	
	Reintegration support	
ICMPD	Information hub for safe migration	https://www.mrc-bangladesh.org/en/about-us
	Counselling	
	Pre-departure briefing	
	Post-arrival session	
	Orientation	
	Referral	
	Online course	
INCIDIN Bangladesh	Capacity building	https://www.incidinb.org/area-of-work/
	One-stop centre for human trafficking victims	
IOM	Emergency Crisis Response	https://www.iom.int/our-work
OKUP	Pre-departure support	http://okup.org.bd/who-we-are/
	Social protection service for vulnerable migrant workers through repatriation, family reunification, shelter, health (particularly Sexual and Reproductive Health), Legal and paralegal services	

Organizations	Service Name	Source
Refugee and Migratory Movements Research Unit (RMMRU)	Financial literacy	http://www.rmmru.org/newsite/programs/field-programme/ongoing-programs/
	Access to justice	
WARBE DEVELOPMENT FOUNDATION		https://warbe.org/programs-we-do/
	Pre-decision advisory	
	Pre-departure Training	
	Training on proper utilization of remittances	
	Skill Development Training	
	Re-integration services	
	Network Development	
	Psychosocial Counselling	

E 1. Financial Products by Probashi Kallyan Bank (PKB)

Probashi Kallyan Bank (PKB) is one of the dedicated organizations for the welfare of migrant workers. PKB has designed several savings and loan products.

Remittance Products: At this point of time, PKB does note have any remittance services. Recently (July 2022) signed an agreement with NCC Bank for using its source and distribution channel for providing remittance services to the migrant workers and their families. NCC Bank has an agreement with 40 money transfer operators (MTOs) such as MoneyGram. PKB will get the opportunity to bring remittance through the MTOs as partner organisations of NCC Bank.[9]

Savings Products: There are four savings products designed by PKB, however none of them are now in offering to the migrant workers. The products are presented in Table 3.

Table 3. Savings Schemes Designed by PKB

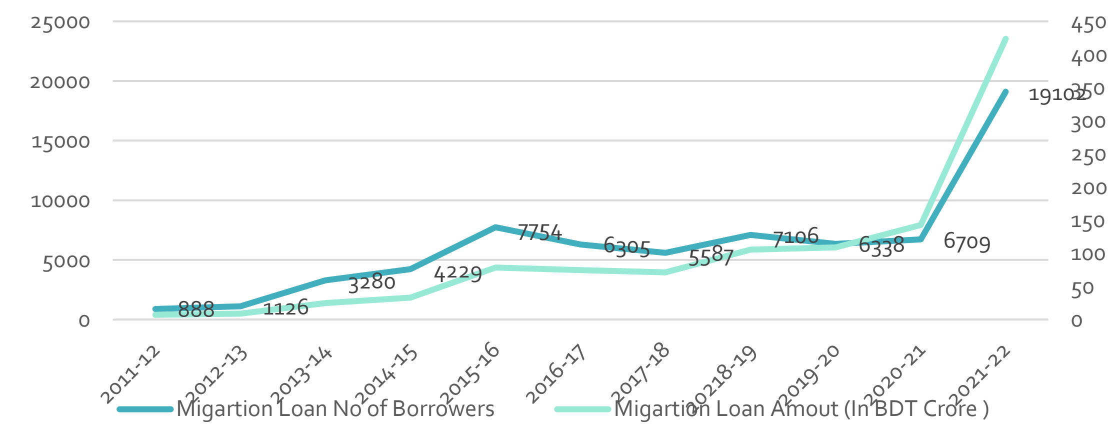
Name of Savings Scheme	Target Client
Bangabandhu Sanchoy Scheme	Migrant workers and their family
Bangabandhu Shikha Sanchoy Scheme	Migrant workers and their family
Bangabandhu Bibaho Sanchoy Scheme	Migrant workers and their family
Bangabandhu Double Benefit Scheme	Migrant workers

[9] Probashi Kallyan Bank signs deal with NCC Bank for remittance disbursement | The Daily Star https://www.thedailystar.net/business/banking/news/probashi-kallyan-bank-signs-deal-ncc-bank-remittance-disbursement-2153611

Loan Products: There are number of loan products offered by PKB. However, the loan products are not popular, and branches are not viable, based on the available data from PKB, elaborated below.

Migration Loan: PKB started providing migration loan since FY2012, However, it could not reach the migrant workers. The peak of disbursement of migration loan was reached in 10 months of FY2022 with 19,102 clients, whereas 503,979 citizens migrated in 10 months of FY 2022 – in terms of reach, it is only 3.79%.

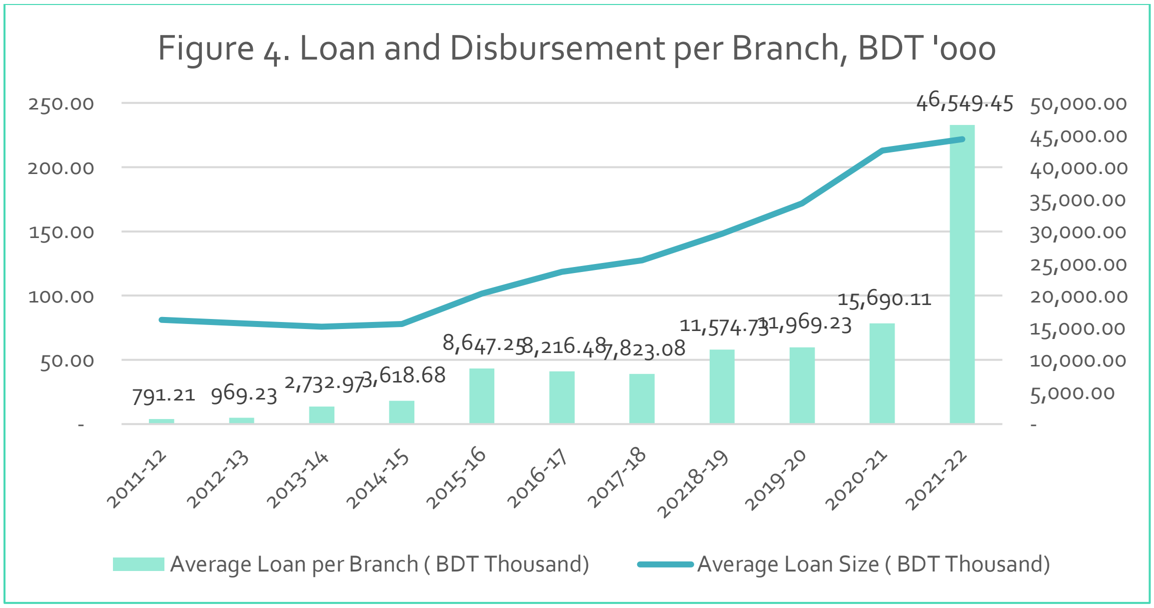
Figure 2. Disburement of Migration Loan by PKB



It is to be noted that, PKB has ninety-two branches across Bangladesh and in top 10 migrating districts the number of branches is 43 [Figure 3].

Figure 3. Branches in Top 10 Migrating Districts

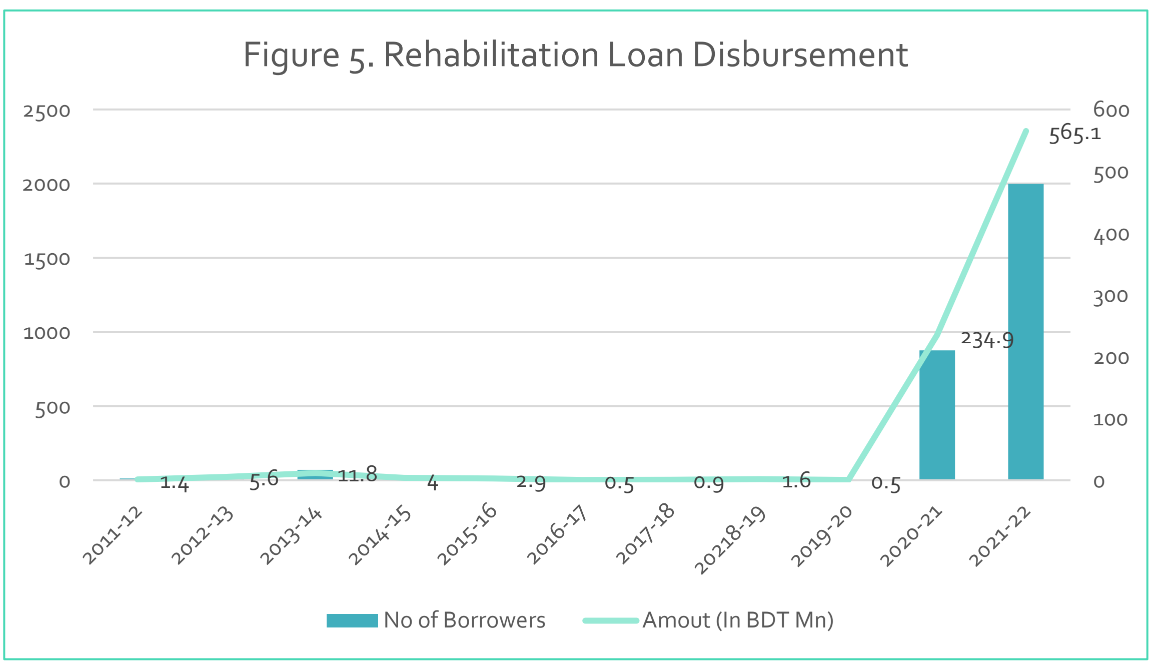
In FY2022 [first 10 months] average amount of loan disbursement was only BDT 46.55 million. It is to be noted that the average loan disbursement in FY 2021 was only BDT 15.69 million [Figure 4].



Women Migration Loan was disbursed for the first time in FY 2021-22 with twelve women borrowers and Loan amount is BDT 1.8 million. Three women received women rehabilitation loan in FY 2021-22.

Over last 11 years, total beneficiaries of rehabilitation loan are only 3044, of which 2873 beneficiaries are of FY 2021 and FY 2022. This means in 9 years since FY 2012 only 171,

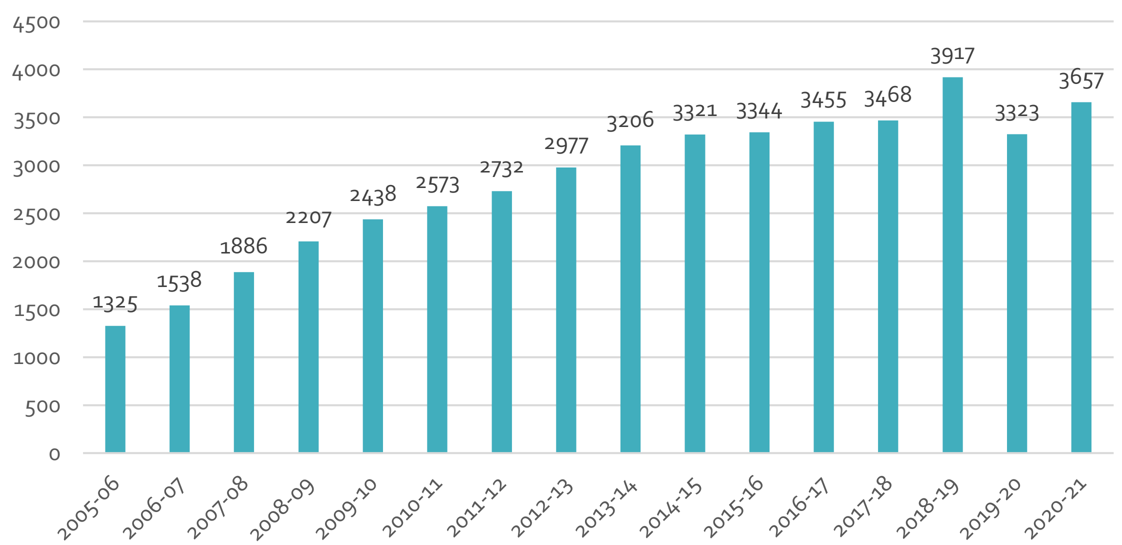
Disbursement of Special rehabilitation loan, from the special fund allocated by the Prime Minister was BDT 1.6 billion. Total 6,054 migrant workers received the loan, with average loan size BDT 264, 120 [PKB, 2022].



E.2. Insurance Product

The government introduced a mandatory insurance scheme for Bangladeshi migrant workers in 2019. While it is mandatory, one can choose between two policies, with a lower limit of claim of BDT 200,000 and with a higher limit of BDT 500,000. The aim of the insurance scheme is to provide financial security to migrant workers and their family members. The growing rate of injury and fatality (see Figure 6) prompted the government to introduce more sustainable mechanism, rather than offering ad hoc support. Both the schemes are valid for 2 years, with a scope of renewal. Jiban Bima Corporation (JBC), the state-owned life insurance company arranges and offers this insurance scheme, while WEWB collects the premium on behalf of JBC.

Figure 6. Death Incidences of Labour Migrants



Since inception in December 2019, total 605,277 migrant workers enrolled with the scheme and paid BDT 296.59 million as premium. Since then, total 127 migrant workers and their families receive benefit of BDT 34.8 million [Table 4].

Table 4. Performance of Mandatory Insurance, as of April 2022

Number of Policies	605,277
Amount of premium collected, BDT	296,585,730
Number of claims	127
Amount of claim paid, BDT	34,800,000

Source: WEWB, 2022

Box 6. Salient Features of Insurance Scheme for Migrant Workers

Inception: December 19, 2019.
Nature: Mandatory
Type: Life and Disability
Time coverage: 2 years. Renewable
Renewal fee: Same as premium

Eligibility:

1. A migrant worker with a valid job contract
2. Age between 18 to 58 years
3. Frequency of premium: One time
4. Subsidy for premium: Fixed BDT 500, irrespective of the offers.

Offer 1: Lower face value
Insurance Scheme Face Value: BDT 200,000
Premium: BDT 990

Offer 2: High face value
Insurance Scheme Face Value: BDT 500,000
Premium: BDT 2,475

Conditions for claim:

a. To be fully paid in case of death, natural or due to accident, and, and total permanent injury
b. To be partially paid in case partial permanent disability. It is not clear, how the percentage of claim will be determined.

It is to be noted that the Government of Bangladesh ratified the International Covenant on Economic, Social and Cultural Rights, as well the Equality of Treatment (Social Security) Convention, 1962 (No. 118) for the branches of maternity and employment injury. By launching this insurance scheme, Bangladesh fulfilled its obligations.

It is to be mentioned that the coverage of Bangladesh insurance scheme is narrower than of Indian one [Table 5]. Bangladeshi scheme only covers for death and partial or permanent disability, whereas as Indian scheme covers a wide range of incidences, both of male and female migrant workers.

As the objective of this exercise is to find out good practices in other migrant sending countries, the Indian example can be used either for enhancing the coverage of the existing scheme or introducing separate schemes for covering the gap. In case of separate schemes, the following can be considered:

a. Launching Health Insurance
b. Launching maternity insurance of the female migrant workers and female family members of the migrant workers.
c. Scheme for covering cost of migration for premature return of migrant workers.

Table 5. Comparison of Indian and Bangladeshi Insurance Scheme

Indian Insurance Scheme	Amount of Coverage of Indian Scheme	Bangladeshi Insurance Scheme	Amount of Coverage of Bangladeshi Scheme
Insurance cover in the event of death or permanent disability leading to loss of employment while in employment abroad	Maximum Rs. 1 million	Insurance cover in the event of death or permanent disability leading to loss of employment while in employment abroad	Maximum BDY 500,000
Repatriation Facilities in case of death	Actual cost of transportation of the Insured's mortal remains to India.		Actual cost of transportation of the Insured's mortal remains to Bangladesh
The travel cost for one attendant, in case of death	Actual economy class return air fare	No coverage for travel cost for one attendant in case of death	Not applicable
Repatriation expenses if the emigrant worker is not received by the employer or on premature repatriation	Actual one-way economy class air fare	No coverage of repatriation expenses in case of premature repatriation	Not applicable
Medical insurance cover in case of hospitalization of the Insured worker	Up to Rs.75000	No medical coverage	Not applicable
Hospitalization cover to family in event of death or permanent disability of insured person	Up to Rs.50000	No coverage of hospitalization	Not applicable
Maternity benefit to female emigrants	Up to Rs.25000	No maternity coverage for female migrants	Not applicable
Legal Expenses incurred by the emigrant worker in any litigation relating to the employment	Up to Rs.30000	No coverage of legal expenses, however, mission provides legal support on ad hoc basis.	Not applicable

G. Proposed New Welfare Schemes

The post-pandemic strategic roadmap of the MOEWOE identified several challenges faced by the migrant workers during the COVID-19 pandemic. The roadmap mentioned: 'There is significant incidence of debt burden among the migrant workers and their families. More than half of the households of returned migrants have no savings. Only 5% of returnee migrants reported to have small personal savings while three-quarters of them have existing personal loans. About 90% of women migrants belong to the household with no savings, whereas this percentage is lower (55%) for their male counterparts. More than half of the households reported to have a loan amount exceeding BDT 100,000; 65% of the household loans are not taken from any Bank or NGOs. 52% of those not having any savings, have debts amounting to BDT 150,000 or more. There is limited willingness among the migrants for formal loan. There is need for a debt relief/conversion programme for the migrants by converting unofficial loans to official. There is also need for connecting financial services with the incomes earned at the CoDs. Overall, there is a need for paradigm shift of financial services for migrants [MOEWOE, 2022, pg. 11]'[10].

The common issues faced by all sub-categories are [MOEWOE, 2022, pg. 39]:

a. Depletion of savings or debt burden
b. Lack of medical coverage for treatment when infected by COVID-19
c. Lack of information and support
d. Mental anxiety
e. Stigmatization
f. Violence.

Lack of medical coverage was identified as one of common issues faced by the migrant workers. Most of labour migrants return home at an age after giving their youth to the economy of the destination countries.

Based on the needs analysis, studying the good practices of other migrant sending countries, this paper proposes three specific welfare products to be launched, in line with the paradigm shift agenda of Bangladesh government for overseas employment sector, depicted in 8FYP:

a. Health Insurance of Migrant Workers and Their Families
b. Mobile App for Digital Financial services for Migrant Workers.
c. Entrepreneurship Loan for Reintegration
d. Mandatory Savings Scheme.

F.1. Health Coverage of Migrant Workers and their Families

Bangladesh successfully launched life insurance service through JBC, and the migrant workers have started reaping benefit of the scheme. The scheme currently only covers disability and death compensation. It is mentioned above that one of the major sending countries India has successfully introduced more comprehensive coverage with lesser premium. Moreover, the ten-point agenda on 'Access to Finance'' specifically mentioned about enhancing the coverage and length of insurance services [see Annex A, Ten-Point Agenda, Section 5b]

> 5.b. The government has also introduced a very progressive system of 2% cash incentive to the migrant workers for sending their remittance through regular channel. As a result of that the remittance flow through legal channel has increased. The government has introduced insurance service for migrant workers and their family members. The coverage and time length of insurance service will be increased during the 8FYP.
>
> Annex A. Ten-point Agenda, 8FYP

As is mentioned, sizable number of migrant workers are in debt burden, and they do not have ability to cover medical cost. The medical cost brings them down further to below poverty level. There is health related cost associated in the whole cycle of labour migration.

[10] MOEWOE [2022]. Post-Pandemic Strategic Roadmap for the Labour Migration Sector [To be published]

Product: Basic Health Insurance: Doctor Consultation and Prescription Service to Migrant Workers in Destination Countries, to Returnee Migrants and their Families

One of the major welfare needs of the migrant workers and their families is access to healthcare. A basic healthcare insurance can be a good start.

Basic Design of the Basic Health Insurance:

Pain points:

a. Inability of Bangladeshi migrant workers to consult Doctors in native language.
b. Accessing healthcare is costly in the destination counties, often not covered under any health insurance.
c. Systematic negligence leading to fatal incidence.

Target Audience: three categories of beneficiaries may be targeted under this basic health insurance:

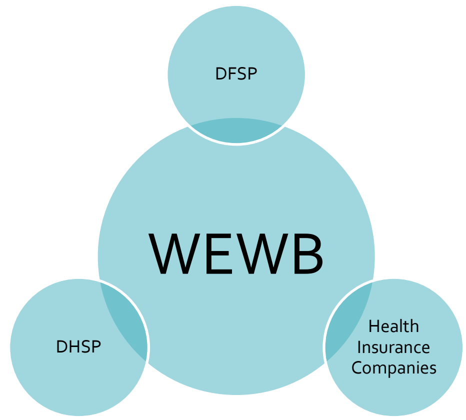
a. Migrant workers living in destination countries
b. Migrant worked, returned to Bangladesh, temporarily or permanently
c. Families of migrant workers.

Modality: There may be two options for offering the insurance scheme to the migrant workers [Figure 7]:

a. Option1: Wage Earner Welfare Board may engage up to 3 Digital Health Service Providers (DHSP), having track record on remote consultation and prescription services. The remote consultation may take place through voice call or video call, through a mobile app of the DHS providers. The DHSPs may be compensated monthly, based on the number of calls attended and prescription provided. The WEWB may also engage a third-party verification company for checking quality of service and providing recommendation for payment.
b. Option 2: Wage Earner Welfare Board may engage up to three insurance companies to launch basic health insurance, covering remote consultation and prescription service. Then the insurance company identifies appropriate number of digital health service providers. This arrangement has an in-built quality assurance system. Partnership building with DHSPs may also lie with the insurance companies.

In both cases, WEWB will ne digital financial service providers (DFSPs)to be connected. WEWB may invite major DFSPs.

Figure 7. Health Insurance Modality: Relevant Actors



Box 7. Health Service Offering

Virtual Service

Maximum number of audio call per year per migrant family: 20

Maximum number of video call per year per migrant family: 20

Maximum number of chats: unlimited

Maximum number of prescriptions per year per migrant family: 10

Maximum number of family members can be enrolled: 5 (including migrant workers).

Calling Time: 24/7

OPD Service

In-person Doctor Consultation: 2
Diagnostic Test: 2-time, maximum BDT 500 per test

Requirements:

a. ID for migrant workers
b. Copy of Valid contract with Overseas Employers.

Box 8. Financials of the Basic Insurance

Total annual target number of Beneficiaries in the inception year: 100,000.

Annual insurance premium: BDT 500

Subsidy: BDT 200 per migrant family per year

Total expenditure of WEWB for the inception year: BDT 20,000,000

Total maximum value for a migrant family per year: BDT 20,000.

Total revenue for the Insurance companies: BDT 50,000,000.

Total revenue for the DHSPs: BDT 30,000,000.

Marketing budget from WEWB: BDT 10,000,000.

Premiums to be collected for aspirant and returnee migrant workers by: WEWB.

Premiums to be collected for migrant workers at destination countries by:

a. Bangladesh Missions
b. DEMOs.

F.2. Digital Financial Services for Migrant Workers

Regulatory Readiness: Bangladesh financial service market has become a vibrant one with an excellent choice of various financial services, offered by scheduled banks, non-banking financial institutions, micro-finance institutions, and insurance companies. Moreover, digital financial services (DFS) have also grown exponentially with more than 100 million DFS accounts in Bangladesh. The DFS providers is not only offering now the payment and money transfer services, but also savings and loan products.

Bangladesh Bank introduced a BDT 1 billion refinance scheme for "digital nano loan" disbursements with an aim to expand the financial inclusion of marginalized citizens. Participating banks will be able to disburse loans of Tk 500 to Tk 50,000 to individual customers with up to 9 per cent interest under the scheme. The loans must be disbursed entirely digitally by using internet banking, mobile apps, mobile financial services (MFS), or e-wallet services.

Operational Readiness: Prior to this welcome development, several pilot runs took place for nano loan and nano savings. Delivery Tiger, an e-commerce product delivery company, collaborated with microfinance intuition Shakti Foundation to disburse collateral-free digital loans among SME-based F-commerce companies. The global phenomena of digital lending entered Bangladesh after The City Bank, in collaboration with MFS provider bKash, launched the CMSME nano loan product in December, 2021[11].

[11] BB lines up Tk 100cr for digital nano loans | The Daily Star: https://www.thedailystar.net/business/economy/banks/news/bb-lines-tk-100cr-digital-nano-loans-3038241

It is important to note majority of the migrant workers and their families have access to smartphone and Internet and they use it for variety of purposes including financial transactions. A sizable portion of remittance is also received by the families of the migrant workers through mobile financial services providers.

In the above context, it is very much possible for a migrant worker to manage financials using a mobile app, through aggregation of services of financial institutions, non-banking financial institutions (NBFIs), MFS and DFS providers, as well as fintech companies.

Technical readiness: Currently, many banks have advanced Internet Banking services, through which it is possible to transfer money from an account of one bank to account of another bank, making payment to various private companies for their products and services, taking loan, transfer money to MFS providers and many more. Most of the banks have now their own mobile apps, which also allow making transactions form abroad, subject to having international sms gateway, or client having email address for receiving verification information.

Design of the Product

A mobile app for migrant workers and their family members, connected to services of multiple banks and MFS/DFS providers. The fintech companies, payment aggregators may be at the back end for providing seamless transactions. An outline of screens of mobile app is presented in Figure x.

A migrant worker, prior to departure may open a bank account in any designated scheduled banks or NBFIs, for sending and money, required for transactions related to various financial products. Before departure, the migrant workers will need to download and activate the mobile app. It is also possible to download the app and activate after arrival, given that there is guidance for that.

The products can be offered, subject to partnership development with financial institutions [Figure 8, Interface Level 0]:

a. Remittance
b. Savings
c. Credit
d. Insurance
e. Transfer
f. Investment.

Other than accessing services, a migrant client can see status of the financial products as well as queries through chat and Internet call.

Steps to Follow by a Migrant Worker to access the services:

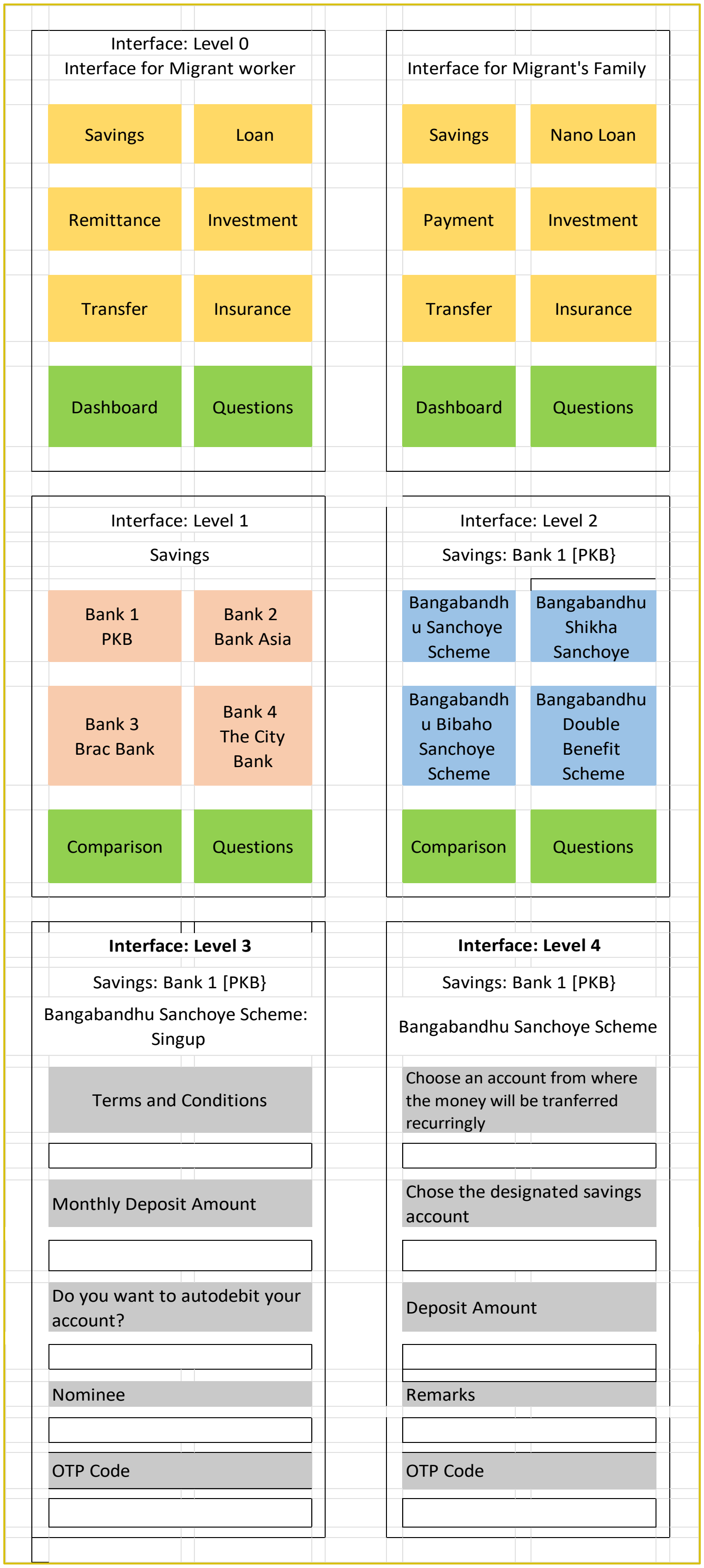
a. Step 1: Remit money to designated account for accessing services using app.
b. Step 2: Add account from where payment will be made for savings installment, credit installment and insurance premium.
c. Step 3: Add accounts of beneficiaries, either bank account or MFS account.
d. Step 4: receiving inbox messages within app about all transactions.

As after remitting money, all transactions are happening within Bangladesh, there is no regulatory barriers.

The process flow of money and access to services is presented in Figure 9.

There two parts in the process. In the first part, depicted on the left side, transaction process forms the destination country to Bangladesh is shown. Here, a migrant workers may go to a designated remittance point and remit money to the designated account in Bangladesh, from where s/he will operate transaction for the services in the mobile app. This may be an additional account in Bangladesh. A migrant worker also may choose to end money to her/his relative or designated person, who can transact using the same app. For doing, the migrant workers will have added designated users. Such users can be more than one person.

Figure 8. Outline of Interface of the Financial Service Mobile App [Interface will be both in Bangla and English]



Interface Level 0

a. The interface shows that through these six types of services are possible to access by a migrant worker while living abroad.
b. Along with access to services, a migrant user will be able to see the status of transactions on a dashboard, as well as notifications of transactions.
c. Dashboard for the family members of the migrant workers will look slightly different, instead of 'remittance' it will have an option for 'payment'.

Interface Level 1

a. At the Interface Level 1, a migrant worker may choose any of the service category, for example, Savings.
b. On this interface, there will logos of banks – a client will be able to choose a preferred bank for choosing savings services. Sample names are put there.
c. A client, who does not have any preference in banking, may go into the comparison option and see comparative status of various savings products of different banks. From there, one can choose the best option.

Interface Level 2

a. When a client chooses a bank, all the savings products can be visible. Here, as an example four savings products of Probashi Kallyan Bank (PKB) are shown
b. A comparison among the products of the particular bank would be shown in 'comparison' button.

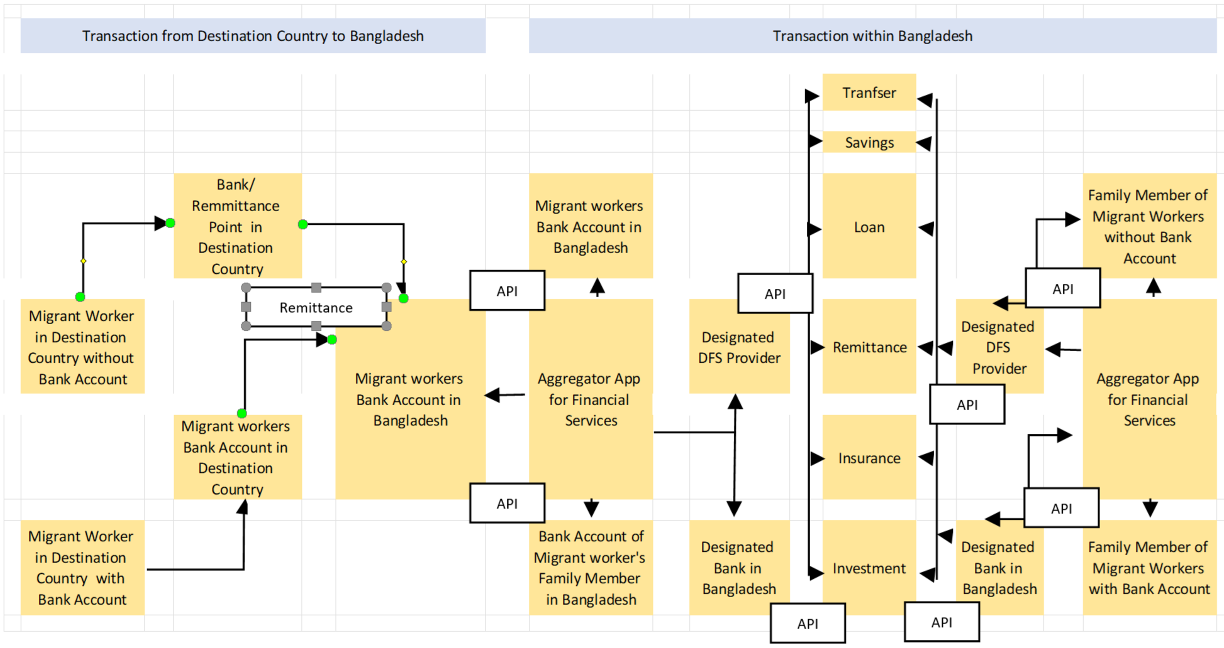
Interface level 3: Signup for a product

a. On this interface, a client can sign up with a specific savings product.
b. In the terms and condition section, the designated bank may collect all necessary information from a potential client.
c. An OTP will be used for security, it may be received through email, inbox message of the app or sms through international sms gateway.

Interface Level 4

a. This interface for making payment of installment.
b. If once set, and recurring option chosen, a client will not need to use this option for onward installment payment. Only thing, the client needs to ensure adequate balance in the account.

Figure 9. Process of Transaction and parties Involved for the Mobile App



The mobile app will have all partner financial institutions and DFS providers connected through API for seamless transaction. The connection with necessary gateway will be the responsibility of the financial institutions or DFS providers.

Box 9. Actors of the Product

Owner: the owner of the app can be WEWB or a designated company, working on behalf of WEWB.

The mobile app company: Through a competitive process, a company can be designated for development, management, connection with all relevant financial institutions, NBFIs, DFS providers, regulatory body, and marketing company.

Financial Institutions and Insurance Companies: Those scheduled banks, NBFIs, MFIs, as well as insurance companies, who have digital infrastructure or willingness to build digital infrastructure and having digital financial products can be partnered and their services can be connected to the app through application programming interface (API).

Digital Financial Services Providers: The DFS providers are essential for connecting banks and clients. The mobile app will be responsible for onboarding DFS partners.

Marketing Company: One of the major gaps in accessing the financial products by the migrant workers and their families, they do not have information about availability of the financial products or knowledge about how to access them. A marketing company can fill this gap. WEWB may appoint a marketing company for popularizing the mobile app.

F.3. Entrepreneurship Loan for Economic Reintegration of Migrant Workers

The Post-pandemic strategic roadmap's findings[12] related to entrepreneurship development were as follows:

'There is interest among the migrants for entrepreneurship development. The interest in entrepreneurship is higher among men (69.90%) compared to women (53.60%). While interest in entrepreneurship is moderate, the interest in entrepreneurial skills training is low. It is observed that 34% among male against 25% of female being interested in entrepreneurial skills training is lower than the interest for vocational skills training. Entrepreneurial training needs are more among migrants who did not have any prior business experience than those who have prior experience. Among the group who lost job have higher percentage in need of such training (47%). The need for entrepreneurial training is about 70% higher among the migrants who intend to stay in Bangladesh than those who intend to go abroad. Launching of entrepreneurship development programme is essential for returnee migrants, who are interested in reintegration and entrepreneurship.'

'For entrepreneurship development, returnee migrants want to rely on informal sources more than the formal sources. For mobilizing investment, men want to rely predominantly on borrowing from relatives and acquaintances (45.70%), whereas women want to rely on bank financing (40%). The second important source for financing for men is loan from NGOs (39.40%), which follows by loan from banks (28.20%). For women, the other sources are loan from NGOs (13.30%) and borrowing from relatives and acquaintances (13.30%). Men want to rely more on savings (22.10%) compared to women 96.70%) [Figure 2.7], as women migrants mostly (89.90%) do not have any savings. It is observed from the previous track record that using traditional methods, PKB alone will not be able to serve large number of potential candidates for the product. Revamping the financial service for migrant workers is required'

Following the Filipino good practice on entrepreneurship development, an entrepreneurship development loan is proposed for launching. The MOEWOE is launching a project titled RAISE funded by the World Bank for reintegration of migrant workers. This loan program may be good complement along with skills development and other components of the project.

A BDT 1 billion credit guarantee scheme can be launched by WEWB, with the money allocated by the Honorable Prime Minister for rehabilitation of returnee migrants. WEWB may work with Bangladesh Bank to regulate the refinancing scheme for the commercial banks including PKB for disbursement of Entrepreneurship development loan for returnee migrant workers.

Entrepreneurship Loan for Reintegration [ELR]: Based on the refinance and credit guarantee scheme, jointly launched by WEWB and Bangladesh Bank, all commercial banks and NBFIs will be allowed to offer the ELR.

[12] MOEWOE [2022]. Post-Pandemic Strategic Roadmap for the Labour Migration Sector [To be published], pg. 12.

Eligible Projects:

Franchise business	Several startups and BoP focused private sector offers micro-franchise programs.	Agri- and non-agri production/manufacturing with identified market linkage and raw material sources
Construction/rental business.	Service/trading business	Transport service
Any viable project whether existing or new, that should generate a net cash flow sufficient to pay the projected amortization of the loan (or resulting into debt service ratio of at least 1).		
Eligible Loan Purposes:	Working Capital	Fixed Asset Acquisition
Project Cost Sharing:	c. Borrower's Equity – Minimum of 20% of the Total Project Cost (TPC).	d. Loan – Maximum of 80% of the TPC.

Loan Amount [Collateral Free]: The loan amount will depend on project needs and amount of equity participation of the borrower:

	For Individual Loan Borrowers (single proprietorship)	Group Loan Borrowers (partnerships, corporations, cooperatives)
Minimum	BDT 100,000.00	BDT 1,000,000.00
Maximum	BDT 2,000,000.00	BDT 10,000,000.00
Interest Rate:	7% per annum for the entire duration of the loan	
Loan Repayment:	Short-Term- max of one (1) year.	Term Loan: based on cash flow but not to exceed 7 years
Grace Period	Minimum 6 months	Maximum of 2 years grace period
Loan Security/Collateral	None for loan up to BDT 2 million	Mortgage able project assets (machines or equipment) and other assets of the borrower for loan above BDT 2 million.

Box 10. Qualification for Entrepreneurship Loan for Reintegration

7. A registered migrant worker, active or non-active, and with completed Entrepreneurial Development Training [EDT] [to be designed alongside the loan.
8. If the migrant workers or his / her Attorney-in-fact is more than 60 years old upon loan maturity, a co-borrower of the loan shall be required. The co-borrower may be the sibling or the children (of legal age) of the borrowing migrant worker with the capacity to pay and whose age should not be more than 60 years old upon loan maturity.
9. A returnee migrant worker may avail of the loan program within three (3) years from the date of arrival to Bangladesh except in cases where the migrant-applicant has an on-going business prior to the time of application.
10. Only one (1) migrant work per family, within the first degree of consanguinity or affinity (parent, spouse, child) shall be eligible to apply under the program.
11. Group of migrant workers who formed themselves into a business entity, either as partnerships/stockholders /directors/officers /members are migrant workers who have been registered with BMET and have completed the EDT.

F.4. Contributory Social Pension Scheme for Migrant Workers

The government has announced of launching of universal pension scheme (UPS) from FY 2023. In the 2008 election manifesto, Hon'ble Prime Minister Sheikh Hasina promised to introduce a universal pension scheme nationally to ensure old-age protection for the elderly citizens under a sustainable and well-organized social security framework. Accordingly, the government, in its 2015 'National Social Security Strategy', proposed the creation of a comprehensive, integrated, and participatory pension scheme. In the budget speech of the honorable Finance Minister for FY2019-2020, the outline of the establishment of the universal pension scheme was presented.[13]

It is to be mentioned that under various programs for social protection of the elderly and needy communities, the government is providing allowances to about 11.5 million beneficiaries. The government has decided to enact the 'Universal Pension Management Act, 2022' to introduce a universal pension system to ensure a sustainable social safety net for the elderly and the needy people. According to design, the universal pension scheme, the government would deposit an equal amount every month against the contributory fund of the participants aged between 18 and 50 years.

In the above context, a contributory pension-cum-savings scheme can be launched for the migrant workers, who contributes to national economic stability.

UPS as a foundation of social protection in Bangladesh is commensurate with the spirit of the SDGs and the SDG aspiration of 'leave no one behind.' The SDG 1.3 says, 'Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable'.

It is to be noted that total 186 out of 192 countries have at least one pension scheme in place for the elderly citizens in the form of periodic cash payment. Most countries have adopted either 'only contributory' pension scheme (72 countries) or a mix of contributory and non-contributory means-tested pension schemes (64 countries)[14]. There is a need to modify the current poverty-targeted social pension to a universal minimum pension, with the exception that individuals covered by contributory pension schemes are excluded. This is preferable to using a means-tested scheme as it saves on costs and is easier to implement. Such systems are in operation in Kyrgyzstan, Moldova, Thailand, and Vietnam (for government pensions). [15]

Global Good Practice: ILO Model of Pension Scheme is a multi-pillar scheme, which was prepared by the ILO to move forward sequentially towards a comprehensive UPS. The ILO model could serve as a good reference for Bangladesh in view of introducing a UPS. The Bangladesh UPS could learn from international best practices and be consistent with the ILO model. The ILO model is built on the principles of social security including universality, social solidarity, adequacy and predictability of the benefits, responsibility of the state, non-discrimination, financial and economic sustainability, transparent management, and stakeholder involvement. The three pillars in the ILO model embody a combination of different social protection instruments where each pillar plays one or multiple functions to meet the objectives of a national pension system.[16]

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[13] Bangladesh Budget 2022-23: Universal pension to take effect from next year (tbsnews.net) https://www.tbsnews.net/economy/budget/universal-pension-take-effect-next-year-436394

[14] Introducing a 'Universal Pension Scheme' in Bangladesh: In Search of a Framework (cpd.org.bd) http://localizingsdg.cpd.org.bd/wp-content/uploads/2019/11/Presentation-on-Introducing-a-Universal-Pension-Scheme-in-Bangladesh.pdf

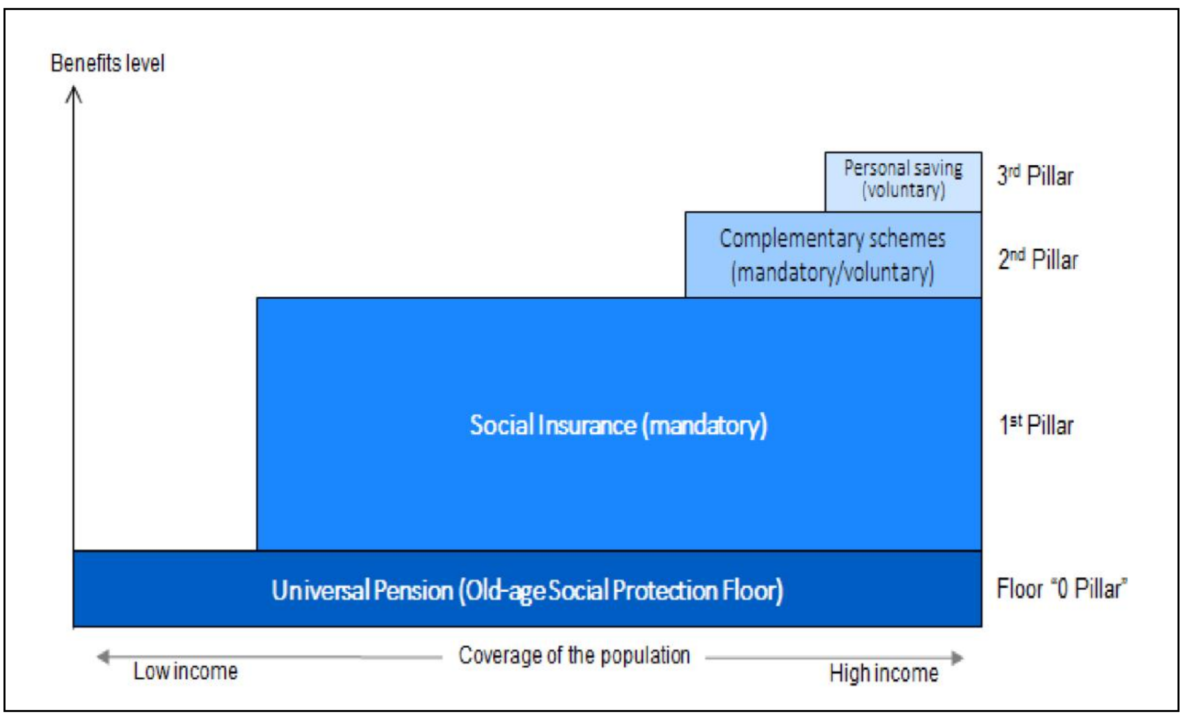
[15] Universal pension scheme an option for Bangladesh? – Policy Research Institute (pri-bd.org): https://www.pri-bd.org/economy/universal-pension-scheme-an-option-for-bangladesh/

[16] The ILO Multi-Pillar pension model: Building equitable and sustainable pension systems. Social Protection for All Issue Brief: https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_645751.pdf

Product: Mandatory Voluntary Pension Scheme for Migrant Workers

Feature	Mandatory*		Voluntary	
Scheme 1	Face Value	BDT 300,000	Face Value	BDT 1 million
Scheme 2		BDT 1 million		BDT 2.5 million
Scheme 3		BDT 2 million		BDT 5 million
Monthly Deposit	Scheme 1	BDT 300		BDT 500
	Scheme 2	BDT 500		BDT 1200
	Scheme 3	BDT 1,000		BDT 2,400
Contribution from the WEWB	Scheme 1	BDT 150		NA
	Scheme 2	BDT 250		NA
	Scheme 3	BDT 500		NA
Deposit time	Immediately after departure up to the 50 years of age			
Maturity	At 50 years of age of the migrant worker			
Pension receiving time	After 50 years till death. In case of death below 60 years, the family of the pension holder will receive monthly pension for the calculate age of 70 years of the migrant workers.			
Continuity	In case of permanent disability or death, the government will contribute the full amount up to 50 years of age of the migrant workers			
Discontinuation	The minimum period before discontinuation is 5 years.			
Eligibility	Any migrant worker, active or inactive, with BMET registration within the age of 18 – 50 years.			
Additional Benefit	If deposit starts at 25 years of age, in case of death before 50th birthday, additional life insurance of BDT 200,000.			
*	If pension scheme starts after 25 years of age, the face value will be calculated based on the number of years till maturity, proportionately.			

Figure 10. Pension Model of ILO



Modality: The WEWB may design it jointly with an actuary consultancy and launch it with top 5 insurance companies in Bangladesh including JBC.

Benefit

#	Government	Migrant Worker
1	Achievement of SDG 1.3	Forced savings
2	Additional remittance flow, which will strengthen foreign exchange reserve	Income flow after retirement
3	Interest income to recover the contribution	Additional Life Insurance
4	Source of borrowing form domestic sources	Fund of availing entrepreneurship loan for reintegration (ELR)

Public-Private Partnership

The proposed welfare products are designed in a way that they invite private sector to join and offer comprehensive services. The paradigm shift agenda emphasize on collaboration with private sector [see below].

4.d	Access to Service	The Ministry will initiate private-public partnership in the areas of access to services for migrant workers at home and abroad with a provision of quality control and engaging expatriate Bangladeshi professionals.
8.b	Private Sector and Stakeholder Engagement	Recognizing that the private sector is the main vehicle for overseas migration, the Ministry will form a technical committee for coordination of implementation of action plan so that activities, programs, and projects complement in terms capacity and specialization, rather than compete.

Conclusion

The new welfare products would contribute towards achieving the targets of paradigm shift agenda under 8FYP and promote safe migration of Bangladeshis. As Bangladesh is moving towards high income country, better welfare is not a charity, it is necessity. The WEWB will be able generate revenue both from the migrant workers and private sectors partners, like insurance companies, digital financial service providers, digital health service providers, bank, and non-bank financial institutions.

Bangladeshi private sector actors may be proactively connected to show the business opportunities by serving the migrant workers. A program for collaboration with private sector may also be designed in this respect.

PKB is one of the major vehicles for providing various financial products for the migrant workers. A thorough evaluation of PKB" s performance for last 12 years is required for identification of bottlenecks and challenges to grow as a scheduled commercial bank and undertake a program for making PKB serving at least 40% of the migrant workers and their families as well as with wide range of services. In taking the PKB to the next level for serving the migrant workers, digitization, and physical presence in country of destination may be priority.

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Annex A. Paradigm Shift Agenda As in 8FYP

1. Institutional and Legal Reform and Capacity Enhancement

The first thing required for a paradigm shift is strong institutions with adequate capacity. Among the three major building blocks of migration, pre-departure, employment at destination countries and return, there is no policy framework to facilitate adequate provisioning of services for returnee migrants. The Ministry will initiate adoption of a 'Sustainable Reintegration of Migrant Workers Policy.' The Ministry will expedite adoption of a 'Rules for Wage Earner's Welfare Board Act 2018', so that benefits of provisions for migrant workers reach them.

The agenda for comprehensive institutional reform include:

a. BMET will have to be raised to a Full-fledged department.
b. One of the major action points for the Ministry during the period of 8FYP will be mapping the activities of these two key institutions reducing overlap in mandate and activities and ensuring appropriate integration of activities in the migration continuum. The responsibility of coordination will be with the Ministry with an integrated digital service management.
c. To address the vacuum in research and analytical capacity to understand labour market dynamics in existing and new destination countries, a new Centre for Research on Labour Migration will be established linked with the Research Wing of the Ministry with a similar status in BIDS or BIISS. The Ministry will also establish a Labour Market Research Unit (LMRU) inside BMET.
d. The era of migration diplomacy has arrived. Economic diplomacy has evolved into trade diplomacy in the 1990s and 2000s and Bangladesh was able to reap the benefit for such foreign policy reorientation. Without reducing focus on trade diplomacy, Bangladesh will be able to reap the benefit of foreign employment market through 'overseas employment diplomacy.' This will require significant capacity enhancement of and coordination between the MoEWOE and MOFA. Besides, Bangladesh also needs to explore markets of the Central Asian and South-East Asian countries for exporting its products. To address this issue effectively, the Ministry of Finance, Ministry of Commerce and Ministry of Industries can be brought into a cluster to promote the economic diplomacy. Ministry of Foreign Affairs should help in this endeavor. BIDA, BEZA, BEPZA and BHTPA can work with this cluster to attract the FDI in Bangladesh, and thus ensure employment, industrialization, export diversification and so on.
e. In connection with reduction of cost of migration and reducing harassment of labour migrants, District Employment and Manpower Offices (DEMO) were established and several predeparture processes were decentralized. In line with the strategy of sending at least 1,000 citizens from each Upazilla, the Ministry will establish DEMOs in all uncovered districts, and increase capacity of the offices at migration-prone districts the facilities of registration and smart card distribution will be developed in all 64 districts. Scope of work for the DEMOs need to be outlined to ensure effective migration, employment, and reintegration facilitation.
f. Currently, 64 Technical Training Centres (TTC) and 6 Institute of Marine Technologies (IMT) are in operation and 70 more are under process of establishment. During 8FYP all Upazilla will have TTCs. This expansion will provide appropriate and adequate training to potential migrant without leaving station.

2. Market Expansion and Economic Contribution

Current overseas employment is limited to 20 countries on a regular basis with other countries arising occasionally. The market expanded from about 2.6 million during the 6FYP period to 8 million at the end of 7FYP period.

a. The Ministry will target at least 5 million new workforces for facilitating migration abroad in 8FYP, with minimum 50% in higher skilled categories. The Ministry will target 20 new countries in 4 new geographic regions. The Ministry will target reaching USD 150 Billion of remittance in 8FYP period, with an average remittance income of USD 30 Billion per year.
b. For reaching the target, the Ministry will launch an 'Overseas employment market expansion roadmap' by a new 'Market Expansion Task-force,' combining all relevant Ministries and agencies.

3. Skills Development

To achieve these positive outcomes of skills development and qualification recognition of migrant workers, a National Action Plan for Skills Development and Migration Management has been developed. The aim of the action plan is to guide skills development initiatives in line with the National Skills Development Policy 2011, while also maintaining effective coordination with other skills development stakeholders.

a. The Ministry will take initiative during this period to work with National Skills Development Authority (NSDA) and Bangladesh Technical Education Board and Future of Work Lab.
b. The Ministry will establish one TTC in every Upazilla by 2025, which will allow potential migrants to go for longer training outside of their home.
c. The Ministry will initiate in association with the Ministry of Foreign Affairs and other relevant entities pursuing international accreditation of certification of skills and mutual recognition of skills for at least 20 countries by the end of 8FYP period.
d. The Ministry will develop a 'Policy for Skills Classification for Migration' to replace the traditional 4 level category (Less-Skilled, Semi-Skilled, Skilled and Professional) to new competency-based grading system (NTVQF). The Ministry will also upgrade BMET occupational database by re-classifying migrants in terms of the new classification system. Annual review will be conducted in COD to establish realistic wage rates and differentials for skilled workers.
e. The Ministry will introduce skills competency assessment and certification as a new precondition for the issuing of Smart Card exit permit. It will establish Assessment Centres for outward migrant workers with international accreditation.
f. The Ministry will work closely with the Ministry of Foreign Affairs to induct Skills Recognition of Bangladesh TVET qualifications in COD's.

4. Access to Service

a. The 8FYP will introduce seamless one-stop-service for the potential migrants by integration of physical and digital infrastructure.
b. The 8FYP will expand the capacity of the grievance management system integrating with national grievance management. The system will be seamlessly integrated with relevant institutions at home and in destination countries, including Bangladesh Missions.
c. Access to Information is the key for making informed decision for migration. The Ministry will develop a communication strategy on skills training & NTVQF qualification and better-quality information on safe migration for aspiring migrants.
d. The Ministry will initiate private-public partnership in the areas of access to services for migrant workers at home and abroad with a provision of quality control and engaging expatriate Bangladeshi professionals.
e. Several programmes were implemented with support from development partners, including call centre, grievances management system. The Ministry will mainstream services under those programmes/projects through public-private partnership, engaging Office of the Public-Private Partnership at Prime Minister's Office.

5. Access to Finance

a. The Ministry will work closely with the PKB to remove all bottlenecks, including expanding the branch network including agent banking outlets in each Upazilla. The PKB will introduce digital banking and banking services to families of migrant workers with a complete range of products as like as any other commercial banks, for making the bank reachable to majority of the migrant workers.
b. The government has also introduced a very progressive system of 2% cash incentive to the migrant workers for sending their remittance through regular channel. As a result of that the remittance flow through legal channel has increased. The government has introduced insurance service for migrant workers and their family members. The coverage and time length of insurance service will be increased during the 8FYP.

c. The Ministry will take comprehensive plan to promote financial literacy and remittance management training for migrants at the pre-departure stage. The Ministry will lead activities to ensure migrant's families are aware about the gainful utilization of remittance.

6. Protection, Rights and Well-being

   a. The Bangladesh Constitution ensures protection of every citizen from abuse and torture, be it at home and abroad (Article 35(5) of the Constitution of Bangladesh), as a signatory of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 1990, the Overseas Employment and Migration Act 2013, and the Expatriates' Welfare and Overseas Employment Policy 2016, ensures execution of those commitments. During the 8FYP, Ministry will allocate resources for strengthening institutional capacity for ensuring protection, rights, and well-being of migrant workers, especially women migrants.
   b. One of the specific measures is engaging non-resident Bangladeshi specialists to support new migrants and migrants facing trouble in destination countries in terms of legal protection and mental health. The Ministry will launch a comprehensive programme in collaboration with the private sector and NGOs for ensuring mental health support during their stay abroad and after return.
   c. The Ministry will explore scope of introduction of a package of support for returning migrant workers (including entrepreneurial skills training, job placement and skills assessment) to assist their reintegration into the domestic labour market.
   d. The Ministry will explore the scope of introduction of International Recruitment Integrity System (IRIS) for encouraging private sector recruiting agencies at home and destination countries practicing fair recruitment to reduce excessive cost of migration as well as protection of rights of migrants.
   e. While Bangladesh's strategy will be to explore new markets and facilitating migration with higher skills, Bangladesh will take a stance of 'no migration,' unless a minimum set of criteria is fulfilled in terms of wage, rights, and protection, in line with international conventions.

7. Digitization

   a. The Ministry will initiate mapping of all existing services and assess the effectiveness and adequacy. By 2025, the whole migration process will be digitized with a quite simple user interface for migrant workers.
   b. The Ministry will develop a labour migration data strategy, which will facilitate all relevant Ministries, Agencies at home and abroad to share data to better strategize and provide services to migrant workers as well as better protection. One example of what data strategy may include is introduction of a centralised electronic management information system (CMIS) for capturing data on all trainees of BMET, TTCs, other ministries and departments providing skills training, disaggregated by course level, course type, course name, institution, district and gender and assessment results. The MIS would be helpful for skills assessment and efforts of accreditation and mutual recognition.
   c. The Ministry will launch e-learning programmes, with appropriate design so that migrant workers get refreshers for their skills with support distance-based learning.

8. Private Sector and Stakeholders Engagement

   a. The Ministry will undertake project for further streamlining the process of migration with optimization of engagement of intermediaries, by launching an accountability framework for intermediary. The outcome of the project will allow reducing the cost of migration.
   b. Recognizing that the private sector is the main vehicle for overseas migration, the Ministry will form a technical committee for coordination of implementation of action plan so that activities, programs, and projects complement in terms capacity and specialization, rather than compete.
   c. The Ministry will lead and take effective initiative and programmes to include the private sector in promoting migration of skilled workers, protection rights and ensure gainful migration.

d. The Ministry will develop "ethical recruitment" system and monitor BAIRA for implementation.
e. The Ministry will take leadership in mobilizing governments and stakeholders of sending countries and international stakeholders for developing a strategy of 'zero recruitment cost migration' (employers pay model) and 'every citizen's right matter' policy for safety and rights of migrant workers.

9. Cost of Migration
   a. The Ministry will undertake a five-year program targeting 'low recruitment cost migration' through negotiation with employers, recruiting agencies and service providers.
   b. The Ministry will also increase capacity of BOESL for accessing new market and expanding existing market, which will reduce cost of migration and increase competition, through market-based incentives for reducing cost.

10. Reintegration
    a. The Ministry will initiate adoption of a 'Sustainable Reintegration of Migrant Workers Policy.' The Ministry will expedite adoption of a 'Rules for Wage Earner's Welfare Board Act 2018', so that benefits of provisions for migrant workers reach them. The Ministry will adopt a Standard Operating Procedure (SOP) for returnee migrant reintegration, especially for female migrants.
    b. The Ministry will establish an inter-ministerial and inter-agency/department "referral mechanism" for the sustainable reintegration of the returnee and will develop and implement a package of support for returning migrant workers, including social and psychosocial reintegration, entrepreneurial skills training, job placement and skills assessment to assist their reintegration into the domestic labour market.
    c. During 8FYP, initiatives will be taken to introduce new mechanism, including the introduction of mandatory deposit schemes for migrant workers, which can be deducted by the remittance receiving banks and accumulate in the account of migrant workers. The deposit scheme will allow the returnee migrant workers to have financial resources to start her/his own venture or a breathing space for reintegration.
    d. Capacity building of the DEMOs and WEWB to deliver reintegration services to the returnee migrants including referral for medical, psychosocial support, skills development, economic rehabilitation, and financial inclusion.