

Presentation by Ambassador Md. Abdul Hannan,
Permanent Representative of Bangladesh

Thank you.

Ambassador Eva Åkerman Börje

My dear colleague from SDC

Ladies and Gentlemen – A very good morning to you all.

I am humbled to be in the presence of such an impressive audience. In my presentation, I shall endeavour to give a perspective to impact of migration on our economy in the first part as introduction, and secondly on areas Bangladesh has addressed migration as a major thrust issue in various sectors at national level.

Bangladesh as an LDC has made noteworthy progress in achieving some key MDGs and a higher pace of human development. Economic prospects for Bangladesh has continued to remain favourable in an age of global recession, where economic expansion has been based on strong growth in private investment and consumption, supported by steady increase in remittances.¹ After independence of Bangladesh in 1971, new opportunities for international migration emerged. According to the *World Bank, 2012 report*, Migration played an important role in increasing growth and reducing poverty in Bangladesh. To quote from the World Bank **Report No. 67991** published last year, “Remittances contribute directly to Bangladesh’s national income (GNI) and indirectly by influencing real GDP growth through various channels. Continued growth of remittances through increased migration as well as increases in remittances per worker, will thus help expand income both directly and indirectly.” The share of

¹ ‘World Economic Situation and Prospects’, UN/DESA and UNCTAD, 2013.

remittances in national income has grown to reach 10.5 percent of GDP in fiscal 2011.

In terms of GNP in the global context, Bangladesh is placed among the 25 largest developing countries, with significant strides in poverty reduction (by 26%) over the past two decades and improving human development indicators (*World Bank, September 2012*). According to World Bank, *Outlook for Remittance Flows 2012-14*, Migration and Development Brief 17, of December 1, 2011, the poverty rate (in 2010) among receivers of foreign remittance is 13.1 percent compared to 33.6 percent among the non-receiving households in Bangladesh.

Remittances to Bangladesh have become a significant source of national income and foreign exchange. It accounted for 9.9 percent of GNI and 10.5 percent of GDP in fiscal 2011. Remittances are the largest single source of external financial inflows for Bangladesh. It has been more than ten-times larger than average annual medium and long-term official loans in the past decade. Migrant remittances were five-and-a-half times larger than the total medium and long term capital flows received by Bangladesh in fiscal 2011. Remittance is now contributing 11.15% to the GDP which is 6 times higher than the ODA and 13 times higher than the FDI.

The World Bank report also reveals that receiving foreign remittances has positively influences on household expenditure. Poverty headcount rates of remittance-receiving households in Bangladesh are 61 percent lower than the poverty headcount rate of households who do not receive remittances, according to HIES 2010. Only 13.1 percent of the remittance receiving households was below the poverty line in 2010, compared with 31.5 percent national average poverty incidence.²

In having a deeper look, the impact of remittances on development in Bangladesh has a broader spectrum. Overseas employment and remittances play an important role in speeding up the economic development by reducing unemployment problem creating new jobs, eradicating poverty

² World Bank **Report No. 67991**

and increasing the foreign exchange reserve. In overall, it contributes to human development as a significant part of income from remittance enables greater access to food intake, housing, education, health care, and protection against vulnerability.

Overseas employment and remittances play an important role in speeding up the economic development by reducing unemployment problem creating new jobs, eradicating poverty and increasing the foreign exchange reserve. Remittance during 2011-12 is about US\$ 9527.37 million which is more than 12 percent from that of the average of the previous year.

Ladies and Gentlemen,

In view of the developmental impact of migration, Bangladesh has declared migration as a major thrust sector in Bangladesh. Major actions has been initiated on migration governance. These include activities in legislative, policy, and institutional areas. In this regard, migration has found extensive place throughout the PRSP for the actions under Sixth Five Year Plan.

As a leading migrant worker origin country, the government has made protection of rights of migrant workers a policy priority during the last four years. Efforts are strengthened to ensure that male and female migrant workers are treated well and with dignity in host countries through the oversight by local embassies as well as through high-level policy dialogue with host governments as necessary.

In addition to the existing Emigration Ordinance, 1982 ; Emigration Rules, 2002; Overseas Employment Policy, 2006 and Restriction on women migrant workers, 2003, the Parliament has enacted the Expatriates Welfare Bank Act, 2010, whereby a specialized bank titled “Probasi Kalyan Bank” has been established. The Bank provides collateral free easy loan to aspirant migrant workers as well as expatriates and returnees for investment and self-employment.

In 1990 on the basis of the Emigration Ordinance of 1982, the Government of Bangladesh created a fund for ensuring the welfare of migrant workers. The fund is used to provide pre-departure briefings to migrant workers, maintain a welfare desk at the airport and in providing language skill training to nurses, garment and hotel workers.

To enhance skilled migration as per demand of the international labour market, National Skill Development Council has been strengthened. Partnership with development partners in the field of technical and vocational training also aim to boost the country's potential as an exporter of manpower. Regarding regional disparities, the Six Five Year Plan would strive to address the lagging regions problems, through a strategy that involves public expenditure in infrastructure and human development. Technical and vocational training institutions for specific skills would be established in the lagging regions. Efforts will also continue to reduce the transaction costs of remittances through better banking support to migrant workers.

One of the major action taken in respect to strengthening intuitions, the government in 2007 created the Ministry of Expatriate Welfare & Overseas Employment. There also exists a Bureau of Manpower, Employment and Training (BMET), which is engaged in regulation and issuance of licenses to private sector recruiting agencies and issuance of clearance to migrant workers going abroad. The Bangladesh overseas Employment & Services Limited (BOESL), as a State-owned company, is engaged in recruitment of workers for overseas employment.

To reduce the influence of the recruiting agencies and brokers, a database of migrant workers with finger prints on digital basis has been established. Outgoing clearance is being provided through smart card by using database network. The hassles of the expatriate workers have been reduced to a great extent by providing the opportunity of automatic print of embarkation card since the information is kept in the smart card.

Ladies and Gentlemen,

Migration is not a unilateral phenomenon. The coming decades would see a most unprecedented movement of people across countries in human history. There is a need to approach this phenomenon with a holistic approach – at all stages – national, regional and global and through bilateral, regional or global mechanisms.

In a wider context, mobility of people, indeed including of migrant workers, is a matter of choice for an independent person. When we speak of migration of workers, at least in Bangladesh, we know that while it is a developmental opportunity, there are also issues to be addressed if migration is to benefit the individual migrants.

With these words, I leave you with some areas for reflections:

1. How to better address the challenges to acquire the benefits of migration as a developmental opportunity to a fuller extent?
2. How can mainstreaming migration be brought under a holistic approach?
3. How to obtain the best scenario for migrants through mainstreaming ? and
4. How to relate mainstreaming migration in the GFMD process?

Thank you