

Remittance Inflow in Bangladesh: Pre-Migration Financial and Non-Financial Initiatives

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Foreword

As part of the ongoing dissemination of BIBM research outputs, the present research paper contains the findings of the roundtable discussion titled “Remittance Inflow in Bangladesh: Pre-Migration Financial and Non-Financial Initiatives”. The study was conducted in 2023-2024 and the paper was presented in a roundtable discussion held in October 2024. The study was motivated to identify the pre-migration financial and non-financial initiatives available for migrants which may pave the way to form well-being policy and improve the institutional capacity associated with remittance for harnessing the expected benefits of migration.

It gives me immense pleasure to publish and distribute this research output to the practitioners of banks and financial institutions, regulatory agencies, academics, and common readers. I hope this research paper will be a valued resource for professionals, expressly for the banking community for providing excellent remittance services to remitters as well as fulfilling their financing needs in Bangladesh.

Md. Akhtaruzzaman, Ph.D.
Director General, BIBM

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Executive Summary

Bangladesh has immensely benefitted from international migration and its concomitant remittances. After export earnings, workers' remittances have become the second largest stable source of financial flows to Bangladesh and in terms of the percentage of global remittance inflows the country is the third largest recipient country in South Asia. Remittances inflows to Bangladesh have increased to USD 21.6 billion in FY23 from the amount of USD 14.2 billion in FY14. Like many developing countries, Bangladeshi migrants especially low-skilled workers face multifaceted financial and non-financial hardships at the premigration, post-migration, and reintegration stages. The objectives of the study were to identify the organizations involved and policies available with pre-migration financial and non-financial services in Bangladesh, to examine the anatomy of remittances inflow in Bangladesh, and to review financial and non-financial initiatives available for migrants at the pre-migration stage in Bangladesh.

Both primary and secondary data have been used through a combination of questionnaire, key informant interview, FGD, and discussion with the migrants by visiting several Technical Training Centers located in Dhaka in addition to data collected from different publications of Bangladesh Bank, and BMET. The findings suggest that a major portion of migrating workers under the survey belonging to semi-skilled and less-skilled categories have little educational background. Source of money for going abroad for first-time workers mostly was their personal income followed by the sale of other assets and land and loan taken mainly from family members followed by NGOs, and Mahajon/Shamiti. Lack of financial literacy, absence of knowledge about the loan products, burden of documentation in getting loans, and relatively shorter periods to repay the banks' loan are being considered as hurdles for the remitters to get advantages of these loan products. A total of 85.71 percent and 94.29 percent of workers who are going abroad for the first time and second time respectively decide to migrate based on a well-thought-out plan whereas a noticeable percent (14.29 percent) is still going outside the home country for the first time without any definite pre-departure plan. Family members/ relatives/ friends are at the top of the list as a source of information both for first-time and second-time expatriates with 59.18 percent and 57.14 percent of the total sample respondents, respectively. It is noticeable that

hardly any worker in the sample group visits or depends on the websites of different countries to get information about the countries in which they are planning to go.

In our country, non-financial services like skill development, creating awareness among migrants about their rights, addressing complaints of expatriates, sending people at the lowest costs, etc. are being offered by different organizations like BMET and BOESL. The study found that, a small percentage of total migrants (16%) seem to go abroad without occupational training apart from the mandatory three-day long training program arranged at different TTCs under the supervision of BMET for the migrants. Only 39 percent of the respondents received banking service-related training although most of the second-time migrant workers (86 percent) have got such kind of training. Even in this age of digital financial services, the majority of migrants cannot use mobile financial services for sending remittances. Quite surprisingly, very few migrants, in fact none of the first-time movers, have ideas about the pitfall of sending money through hundi.

The study suggested some measures that include investing more in awareness programs by MoEWOE, BMET, and BOESL in collaboration with banks regarding the importance of having a bank account before leaving the country; placing and disclosing all information of savings and investments in website of MoEWOE's, offer non-financial services like providing smart and health card, appreciation certificate, assistance in submitting tax return, taking initiative to design new products similar to pension schemes, introducing investment instruments like green bond, sukuk bond or plain vanilla bond, mutual funds and investment linked deposit products; involving Union Parishad Chairman, Principal/ Headmaster of colleges/ schools or influential relatives in lending process, creating online network by Ministry of Labor and Employment or/and Ministry of Expatriates Welfare and Overseas Employment or/and authorized recruitment agencies for collecting certificates; arranging linkage financing through NGOs; designing appropriate loan products with grace period and conducting awareness programs at home and abroad, initiating digital lending such as "Nano Lending" or e-wallet, to giving conditional privilege to the migrants by Government through issuing passport and some other travel related documents at concessional rate, campaigning programs for aspired migrant by BMET, TTC and PKB jointly regarding desired profession/ job, host country, expected earning amount, estimated costs of going abroad.

The report also recommended appointing more qualified and experienced instructors by BMET especially language instructors, redesigning the PDT program separately for unskilled, semi-skilled, and skilled migrants by keeping more duration and modules and providing the option to deliver online and offline or blending both on technology and language proficiency; engaging more private sector organizations and Non-Governmental Organizations (NGOs) in offering PDT even in remote areas of the country; and running more awareness programs by BMET with TTC and other vocational training academies about availability and benefits of running skill development programs covering the future requirements of the host countries to facilitate the potential migrants of the country. In this regard, launching more Government to Government (GTG) agreements with the host countries and enhancing communication with foreign missions of Bangladesh; arranging at least four academic sessions by BMET during PDT keeping covering financial knowledge on saving, loan and investment services available in banks and financial institutions, processes of sending money to home country and negativity of hundi would be helpful in augmenting foreign remittance in future.

Acronyms

ADB	Asian Development Bank
AOF	Account Opening Form
BAIRA	Bangladesh Association of International Recruiting Agencies
BOESL	Bangladesh Overseas Employment and Services Limited
BMET	Bureau of Manpower, Employment and Training
CAGR	Compound Annual Growth Rate
CIP (NRB)	Commercially Important Person (NRB)
ECNEC	National Economic Council
FCBs	Foreign Commercial Banks
FDR	Fixed Deposit Receipt
FGD	Focus Group Discussion
FCBs	Foreign Commercial Banks
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
GDP	Gross Domestic Production
GGC, EU	Global Cosmetics Cluster-Europe
GTG	Govt. to Govt.
ILO	International Labour Organization
IOM	International Organization for Migration
ISO	International Organization for Standardization
KII	Key Informant Interview
KSA	Kingdom of Saudi Arabia
MFI	Microfinance Institute
MFS	Mobile Financial Services
MoEWOE	Ministry of Expatriates' Welfare and Overseas Employment
MRA	Microcredit Regulatory Authority

NBFI	Non-bank Financial Institution
NBR	National Board of Revenue
NGOs	Non-government Organizations
OBUs	Offshore Banking Units
OEMA	Overseas Employment and Migrants Act
PCBs	Private Commercial Banks
PDT	Pre -Departure Training
PKB	Probashi Kollyan Bank
PLC	Public Limited Company
PR	Public Relations
PS	Deposit Pension Scheme
ReMiMIS	The Returning Migrants Management of Information System
RMMRU	Refugee and Migratory Movements Research Unit
RPL	Recognition Prior Learning
SBs	Specialized Banks
SCOBs	State-Owned Commercial Banks
SDG	Sustainable Development Goal
SEIP	Skill for Employment Investment
TTCs	Technical Training Centers
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNESCO	The United Nations Educational, Scientific and Cultural Organization
USD	United States Dollar
WEWB	Wage Earners' Welfare Board
WEWF	Wage Earners` Welfare Fund

Remittance Inflow in Bangladesh: Pre-Migration Financial and Non-Financial Initiatives

Section 1: Introduction and Background

1.1 Introduction

Bangladesh is immensely benefitted from international migration and its concomitant remittances. After export earnings, workers' remittances have become the second largest stable source¹ of financial flows to Bangladesh and are considered as lifeline for many people in Bangladesh. Remittances are a source of foreign exchange for the Government and help families for covering their day-to-day costs and investing in education, health, and small businesses (WB, 2006 & ADB, 2021).

Like many developing countries, Bangladeshi migrants especially the low-skilled workers face multifaceted financial and non-financial hardships at the premigration, post migration and reintegration stages. At the premigration stage, financial problems like high migrations costs, meeting up migration costs mostly from personal and informal sources at exorbitantly high interest rates, dearth of financial information, difficult in getting access to formal as well as hassle-free finance on time, mainly city centric sources of banks' finance for migrants are prominent. On the other hand, lack of skills, education and training, prevalence of a series of intermediaries at home and abroad, involvement of unscrupulous people in visa trading, fraudulent labor contracts, ill treatment and abuse, inability to understand local language, lack of access to healthcare services and risks to inflict emotional distress or trauma are well known premigration non-financial challenges faced by migrants from Bangladesh.

Because of aforesaid difficulties, the potential benefits of remittances have not yet fully materialized. Total workers' remittances inflow increased by

¹ Remittances are relatively stable and acyclical. In contrast, debt flows and FDI are procyclical. Stability and acyclicity imply that remittances have the potential to make a critical contribution to support consumption in the face of economic adversity (Asian Development Bank and The World Bank, 2018).

USD 448.50 million to USD 12900.63 million during July-January of FY24 compared to that of July-January of FY23 (Monthly Economic Indicators, January 2024, Bangladesh Bank). Despite noticing a high growth of migration rate from Bangladesh i.e.13 per cent in 2023 (BMET 2023), the remittance inflow increased by a small percentage of 3.60 percent (Bangladesh Bank, 2023). Both Pakistan and the Philippines rank behind Bangladesh as migrant source countries, but they are ahead in remittance earnings as per the latest World Migration Report 2024 by the International Organization for Migration (IOM). Bangladesh has retained its positions as a migrant origin and remittance recipient country– ranking sixth and eighth, respectively while Pakistan ranks seventh and sixth and the Philippines ninth as origin and fourth in remittance (Siddique, Kamran, 2024). This is largely due to high concentration of unskilled and semi-skilled workers employed in lower paid jobs, lack of financial literacy and growing preference of migrants to send money through informal channels². Financial sector containing with less efficient banking sector, and tiny equity and bond market, absence of suitable financial instruments, failure to create scope for migrants to invest in financial instruments or other income-generating opportunities are also important causes for lower amount of remittance inflow to the country. Receiving households tend to spend remittances on necessities, education and health and have little left to invest in financial instruments or other income-generating opportunities (WB, 2006 and ADB, 2021).

Particularly, the informal remittances sent by Bangladeshi migrant workers is a concern for the governments as well as regulators. The informal remittances are not only creating barrier to form a respectable amount of foreign currency reserve in a country like Bangladesh, but also this money is used as the sources for smuggling, money laundering, and other illegal activities. The initiatives taken to stop informal remittances by the Governments and regulators so far have had limited impacts, rather it is

² This shows, however, only officially recorded figures and the total remittance including informal remittances is substantially greater than the officially recorded amount (Mayumi Ozaki 2012).

noticed that systems used for sending informal remittances are increasingly used by unbanked people especially in rural Bangladesh because of certainty, low cost, speed, accessibility, and customer friendliness.

A well-planned preparation of migrants at pre-migration level in terms of financial and non-financial issues is the key to get perceived benefits of remittance. A coordinated efforts by the governments, regulators and financial sectors are required for addressing non-financial issues like migrants' education and training, institutional capacities for migration governance, legal and policy constraints, financial inclusion, and financial issues like making available formal financial services to the doors of mass people across the country, ensuring required finance for covering migration costs sufficiently on time, arranging digital mode for sending remitters money and improving financial literacy can improve the aforesaid situation. It is pertinent to say, if migrants get proper education, training, information and financial literacy as well as finance from the formal sources before migration, their sufferings will be reduced at large scale in one way, on the other hand inclination to send money through informal sources might also be decreased. In this respect, an endeavor has been undertaken to study the pre-migration financial and non-financial initiatives available for migrants which may pave the way to form well-being policy and improve the institutional capacity associated with remittance for harnessing the expected benefits of migration.

1.2.Scope of the Study

This study has been conducted by covering both Pre-Migration Financial and Non-Financial Initiatives offered to only temporary migrants by covering data 2014- 2023. Discussion points have been raised depending on analyses accomplished through literature review, as well as information, opinions and comments collected from survey data, Focus Group Discussion (FGD) and Key Informant Interview (KII).

1.3. Literature Review

An increasing number of people at different stage of their lifecycle move within their country or to another country. Nearly 12% of the global

population falls within the former category and 3.3% in the latter (UNESCO, 2018). With more than a billion people living outside their place of birth, migration has become an integral part of the development process (Varghese 2021). It is not difficult to understand the dominant reason why individuals migrate from one country to another; they just want to get a better life for them and for their families. “Migration is an expression of human aspirations for safety, dignity and better future” (UNESCO, 2018). The neoclassical theory of migration (e.g. Todaro, 1969) summarizes this behavior by suggesting that migrant workers move to other countries in response to a series of “push” factors related to the domestic economy and “pull” factors from the destination countries. Migration maybe one of the household strategies to deal with the limitations of the home country economy. Many factors, however, impact the actual number of migrations such as the cost of arranging migration, availability and interest cost of getting loan from formal, or informal sources, skill gap of the probable migrants, language and other social barriers.

International migration dynamics have attracted the attention of academics and policy makers because of its possible impacts in the home country macroeconomic conditions. Relationship between migration and economic development is one prominent area of research that covers a host of socio-economic issues in the context of developing and developed countries. Migration is a decision that impacts the welfare of the household, the home community, and in the end the whole economy in various ways (Azam and Gubert, 2006). The main channels through which migration alleviates poverty are increased incomes from remittances, ability to smooth consumption, access to finance for starting a new business (Ratha et al., 2011). Migration and remittances have both direct and indirect effects on the welfare of the population in the migration sending countries (World Bank, 2006; UNDP, 2009; and De Haas, 2005).

Migration policy differs across the regions in terms of preference given on skill level of labor, types of profession and duration for which work visa is given. The migration policy of Asian countries is more focused on highly qualified short-term, as well as business immigrants (investors) who are not

interested in further naturalization. A number of Asian countries (South Korea, Japan, Thailand, Malaysia, Singapore, Gulf monarchies) faced a sharp increase of unskilled labor immigration from Cambodia, Myanmar, Indonesia, India, Bangladesh, Pakistan, and Nepal. Middle East migration policy is more oriented to low-skilled labor immigrants who are able to compensate national labor shortages with their inexpensive labor (Ushakov & Auliandri, 2019).

Remittances are broadly identified as the transfer of money from migrants to individuals in the country of origin (Ratha, 2005; Weeraratne & Kelegama, 2015; World Bank, 2011; International Organization for Migration (IOM), 2006). The impact of remittances on household and the economy are manifold in nature. A cross-country study of 71 developing countries found that a 10 percent increase in per capita official international remittances will lead to 3.5 percent decline in the share of people living in poverty (Adams & Page, 2005). Evidence from Latin America, Africa, South Asia and other regions suggests that remittances reduce the depth and severity of poverty, as well as indirectly stimulate economic activity (Adams, 1991; Fajnzylber & López, 2008; Gupta et al. 2007; Anyanwu & Erhijakpor, 2010; and Ajayi et al. 2009). Remittances have been found to have an income stabilizing effect at both the macroeconomic level (World Bank, 2006; and Chami et al. 2009) and at the household level. Migrant remittances increase domestic savings as well as improve financial intermediation (Aggrawal et al. 2006, Toxopeus & Lensink, 2007), which can improve growth prospects (Giuliano & Ruiz-Arranz, 2005). Access to information through the diaspora and the skills learned by returning migrants can improve technology, management and institutions in the sending country, and lower the fixed cost and knowledge requirements for setting up an international business (Carling, 2005). Migration contributes to human capital formation. There is a growing body of evidence suggesting that the income from remittances is disproportionally spent on education and health rather than everyday consumption (Adams, 2005; Adams et al., 2008 Valero-Gil, 2008).

A vast number of literatures have focused on the determinants of remittance flows e.g., Blue (2004), Naufal (2007), Osili (2004) and Vargas-Silva

(2009) just to name a few. The findings of these studies suggest that a wide range of variables affect the likelihood to remit and the amount remitted. There are also many reasons why migrants send home part of their incomes, such as altruism, self-interest, loan repayment, and insurance motives. A series of studies have focused directly on the relationship between remittances and economic growth. Giuliano and Ruiz-Arranz (2009) explore the relationship between remittances and the financial sector of the receiving country. They posit that in those countries that lack proper credit markets, remittances may ease credit constraints by allowing entrepreneurs to obtain the necessary capital for business ventures. Using data for about 100 developing countries, they find evidence that remittances promote growth in less financially developed countries. Mundaca (2009) presents a theoretical model in which remittances have a long-term impact on the receiving economy only if these flows are invested in long-run technology or used for capital investment. However, she argues that investment in those areas would only be possible in the presence of financial intermediaries that facilitate the lending of saved remittances money. It is found that, in general, remittances positively affect annual GDP per capita of remittance receiving countries (Vargas-Silva et al., 2009). It is also found that remittances decrease the poverty gap and ameliorate the depth of poverty. Remittances also contribute to improvements of welfare of remittance receiving households by smoothing consumptions and increasing spending on food and housing-relating expenditures (Raihan et al., 2009).

Remittance growth, however, faces different constraints and challenges at different time periods in the backdrop of ever-changing financial landscape. ADB (2021) identified a set of challenges with remittances that includes high remittance price, de-risking, continued dominance of cash in sending remittance, widespread use of informal remittances (hundi), regulatory environments, and lack of data. The same report suggested a number of recommendations to accelerate digitization in remittances to be driven by governments including regulators and supervisors, private sector, and for all the stakeholders. These are mainly increase financial education in digital services, use of technology to support anti-money laundering and

countering financing of terrorism regulations, interoperability, development of digital identification solutions, incentivize digital transactions, simplify on-boarding while reassuring that it is secure and working together to safeguard remittances and promote competition and innovation. ILO (2020) conducted a comprehensive analysis of remittances in the context of Sri Lanka that came up with some suggestions i.e. improving interaction between banks and MTOs, adopting FinTech, promoting mobile money, reconsidering importance of female migrants for remittances, improving timing and frequency of remittance education, inculcating a positive attitude towards remittances, and producing better data on remittances.

Buchenau (2008) studied the link between migration, remittances and poverty in Bangladesh context and developed some policy options to improve the efficiency of migration and migration-related financial services. Iqbal (2014) examined the impacts of remittance on the socioeconomic condition of Bangladesh. Positive impact found in the study include increased income, higher spending on children education, increase in social status, and creation of employment opportunities for poor. A significant relationship between growth in remittances and different outcome variables in the economy with positive impact on poverty, household income and financial inclusion has been found in Bangladesh economy (Akhter & Islam 2019). Raihan (2023) found the key remittances are derived from Middle Eastern countries, the United States, the United Kingdom, European nations, and East Asian countries.

Anima et al. (2023) analyzed the consequences of using Hundi as an informal channel for transferring funds by Bangladeshi immigrants as enabling illegal financial operations in Bangladesh. They evidenced the adverse economic impacts of the Hundi on foreign reserves and misuse of the Hundi as a means for money laundering, aiding the incorporation of illegal funds into the legitimate economy, and helping illicit activities for example foreign property purchase. In this regard, they recommended enhancing the governance and supervision of the formal financial sector with increasing the banking services; intensifying public knowledge of threats and consequences of using Hundi; team up internationally to halt cross-border transmissions in hundi businesses; offering more competitive

exchange rates by banks; boosting digital transactions like mobile banking, online transfers, digital wallets, remittance-based apps; and designing an accessible agent banking system in formal banking in the country.

1.4. Objectives

The primary objective of this paper is to comprehensively examine the financial and non-financial services available for migrant workers at the pre-migration stage. To attain the primary objective, this study aims to shed light on the following specific objectives:

1. To identify the organizations involved and policies available with pre-migration financial and non-financial services in Bangladesh.
2. To examine the anatomy of remittances inflow in Bangladesh.
3. To review financial and non-financial initiatives available for migrants at the Pre-Migration Stage in Bangladesh.
4. To examine the effectiveness of financial and non-financial initiatives in promoting remittance in Bangladesh.

1.5. Data and Methodology

The overall methodology of the study is a mixed method using both primary and secondary sources covering qualitative as well as quantitative data.

1.5.1.A. Data: Primary Sources

The primary data have been collected by administering semi-structured questionnaires from authorities involved with financial and non-financial services offered to the migrants at the premigration stage. In collecting financial data, a questionnaire was sent to all types of banks including Probashi Kallyan Bank (PKB) and a few NGOs linked with the financing migrants. Of which, a total of 25 banks and 2 NGOs have responded and sent back questionnaires by answering questions asked to them. Apart from these, several surveys have been conducted through visiting Bureau of Manpower, Employment and Training (BMET) and a number of Technical Training Centers located in Dhaka to get information and opinion based on a questionnaire from the Bangladeshi migrants. In collecting primary data,

respondents have been classified into two groups, namely first time going abroad and the 2nd time going abroad. Besides collecting data through questionnaires, a Focus Group Discussion (FGD) with 25 participants working in banks, FIs and NGOs and Key Informant Interviews (KII) are also conducted to get complimentary information side by side with responses in the questionnaires.

1.5.1.B. Demographic Profile of Respondents

In selecting respondents, we have emphasized the position, relevancy and knowledge level of respondents on the remittances (Annexure Table-1). In terms of sample demographics, respondent characteristics are varied widely. Respondents' gender, age, educational qualification, previous profession, family member number, and dependent family members are relevant personal data. While demographic information has no impact on this study's analysis level, the reporting may provide a generalized view in terms of male and female participation in migration, at which average age workers go abroad to earn money, and their educational level in Bangladesh. The Annexure Table-1 shows that migrating workers are overwhelmingly male (84% for 1st time-going and 75% for 2nd time going workers). Male-dominant migration reflects the restrictive policies and conservative values of both the sending and receiving governments as well as the socioeconomic and cultural conditions of countries. It is revealed that respondents varied widely in terms of their age. The highest representatives are the age group of 26 to 35 years with 55% of the 1st time going workers and 43% of the 2nd time going workers. The study observed that young people were interested in migrating. It also shows that migrating workers in this sample have very little or no educational background as the majority of the workers (55% of the 1st time going and 57% of the 2nd time going) have a secondary level of education followed by SSC passed workers (26.5% of the 1st time going and 17.1% of the 2nd time going). In terms of previous professions, Garments job is found to be the main source of income for the 1st time going workers (29%) followed by service (14%), shop keeping (12%). However, service is found to be the main source of income of the 2nd time going workers (29%) of the majority of respondents followed by garments job (17%), day labor (11.4%), and farming (8.6%). All the professions are found to fall into

semi-skilled and less-skilled categories. The average family size of both 1st time-going and 2nd time going workers is found as 4 persons which appears to be close to the country's average household size in the Household Income and expenditure survey 2022 of 4.26 persons (Bangladesh Bureau of Statistics, 2023). 24.5% of the 1st time going workers have 2 dependent family members and 25.7% 2nd time going workers have 4 dependent family members who depend on their income. Majority of the respondents are from Dhaka (34.7% of the 1st time going and 45.7% of the 2nd time going workers) followed by Gazipur (14.3% of the 1st time going and 17.1% of the 2nd time going workers). The reason behind this scenario is that they were surveyed at the two TTCs of BMET namely Bangladesh-Korea Technical Training Centre, Dhaka, and Bangladesh-German Technical Training Centre, Dhaka where visits of migrating workers from distant districts from Dhaka are rare (Annexure Figures-1 & 2). It is also observed that Saudi Arab remains the highest number of workers destination country (40.8% of the 1st time going and 34.3% of the 2nd time going workers) followed by Jordan (18.4% of the 1st time going and 22.9% of the 2nd time going workers) and UAE (10.2% of the 1st time going workers) and Mauritius (11.4 of the 2nd time going workers) as stated in Annexure Figures-3 & 4 also. Malaysia, Qatar, Oman, Iraq, and Kirgizstan are found as other destination countries of the workers.

1.5.2. Data: Secondary Sources

The secondary data have been collected from Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE), Bangladesh Bank, Bureau of Manpower, Employment and Training (BMET), Bangladesh Overseas Employment and Services Limited (BOESL), Bangladesh Association of International Recruiting Agencies (BAIRA), Recruiting Agencies, Wage Earners' Welfare Board (WEWB), State-owned Commercial Banks (SOCBs), Private Commercial Banks (PCBs), Foreign Commercial Banks and Specialized Banks (SBs) and Probashi Kallyan Bank (PKB). Relevant websites of Ministries, Institutes, banks or other financial institutions at home and abroad have also been visited to get information.

1.5.3. Reliability and Validity Test

After collecting data from primary and secondary sources as well as focus group discussions and KII, necessary coding and cleaning have been done to ensure the reliability and validity of data.

1.5.4. Analysis and Interpretation of the Data

Different statistical and accounting tools such as simple growth rate, and Compounded Annual Growth Rate (CAGR) have been applied to analyze the collected information. Both tabular and graphical approaches have been applied in presenting and analyzing data. The paper has been finalized by contemplating the opinions and observations expressed by discussants and participants of the Round Table Discussion.

1.6. Organization of the Report

This report is organized as follows. As the introductory part, **Section-1** covers scope of the study, literature review, objective of the study, data and methodology and section plan, the **Section-2** covers associated organizations and policies involved with migration process. **Section-3** shows the anatomy of remittances inflow in Bangladesh. **Section-4** reviews financial and non-financial initiatives available for migrants at the Pre-Migration Stage. **Section-5** demonstrates effectiveness of financial initiatives in Promoting Remittance and effectiveness of non-financial initiatives have been covered in the **Section-6**. And the **Section-7** presents some issues with suggested measures.

Section 2: Organizations Involved and Policies Available with Pre-Migration Financial and Non-Financial Services in Bangladesh

2.1. Ministry/ Organization/ Institutions Involved with Pre-migration Financial³ and Non-Financial Services in Bangladesh

The Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE) is on the helm of all activities relating to information, partnerships, facilitations and monitoring of overseas employment. MoEWOE with organizations like BMET, BOESL and WEWB has been working to supply more skilled workers, ensure migration in legal ways, safeguard the welfare of all migrant workers, create opportunities of securing overseas employment for workers from all regions of the country and hence is increasing the flow of inward remittances (Table-2.1). Further, establishment of a specialized Bank named Probashi Kallyan Bank (PKB) with the prime objective to serve migrants with finance and designing app-based mechanism to send money quickly is a timely initiative of the Government.

Table 2.1. Ministry/ Organization/Institutions Involved with Pre-migration Financial and Non-Financial Services in Bangladesh.

Ministry/ Organizations/ Institutions	Types and Origination	Activities
Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE) ⁴ Established in 2001.	Govt. delegated the responsibility related to management, governance and welfare of labor migration to the ministry of MoEWOE for overseeing and supervising the functioning of the activities of BMET, BOESL, Wage Earners' Welfare Board (WEWB) and	Ensuring transparency and accountability and overall governance in the recruitment process.

3 Although name of organizations was mentioned under the Pre-migration stage, same organizations might offer services in post migration stage too.

4 MoEWOE was newly established in 2001 which was earlier 'Ministry of Manpower development and Social Welfare'.

Ministry/ Organizations/ Institutions	Types and Origination	Activities
	Probashi Kallyan Bank (Expatriates' Welfare Bank).	
Bureau of Manpower, Employment and Training (BMET) ⁵ Established in 1976.	BMET ⁶ was established as an attached department of the then 'Ministry of Manpower Development and Social Welfare'. The Bureau was created in line with the ILO Convention 87, 88, 96 and 97.	<ul style="list-style-type: none"> ▪ Conducting informal and special training courses through Technical Training Centers (TTC) & establishment of new TTC through development projects. ▪ Providing with Smart cards, Biometric registration, and immigration clearance to the migrant workers. ▪ Regulating and monitoring licenses of private recruiting agencies.
Bangladesh Overseas Employment and Services Limited (BOESL) Established in 1984.	BOESL ⁷ is the sole state-owned and ISO certified manpower exporting company formed under the Company Act VII of 1913 Bangladesh.	<ul style="list-style-type: none"> • Undertaking time-bound initiatives for expediting the safe, ethical and responsible low-cost labor migration. • Conducting labor market research, and new market exploration.
Bangladesh Association of International Recruiting Agencies (BAIRA)	BAIRA was established for catering to the needs of the licensed recruiting agencies.	<ul style="list-style-type: none"> • Ensuring supply of quality manpower at a minimum cost within the time schedule given by the employers.

⁵ In 29 August, 2023, the Executive Committee of the National Economic Council (ECNEC) approved a Taka 3,751.09 crore project to establish 50 TTC at upazila level. BMET will implement the project for setting up the TTCs with entire government fund by March 2028.

⁶ BMET is engaged in skill development of migrant workers by following Overseas Employment Act 2013, Emigration Rules 2002, Recruiting agents conduct & license Rules 2002, Wage Earners' Welfare Fund (WEWF) Rules 2002, Overseas Employment Policy, 2006, Selection of CIP (NRB) policy, 2006, Special privilege policy of expatriate Bangladeshis for remittance, 2008 and Medical Test policy for overseas employment 2008.

⁷ BOESL discharges its responsibilities by following Overseas Employment & Migrants Act 2013, Expatriates' Welfare and Overseas Employment Rules 2016 and Emigration Rules 2002.

Ministry/ Organizations/ Institutions	Types and Origination	Activities
And almost 2000 Private Recruiting Agencies Established in 1984		<ul style="list-style-type: none"> • Offering Insurance Schemes (one for the workers before their departure and the other is for their families).
Wage Earners' Welfare Board (WEWB) ⁸ Established in 1990	In order to help the families of the workers abroad, Government formed "Wage Earners Welfare Fund ⁹ under the authority of Article 19(1) of the Emigration Ordinance-1982.	<ul style="list-style-type: none"> ▪ Providing legal assistance and collecting compensation from foreign employers for deceased migrants, ▪ Giving assistance to afflicted migrant workers, health services, inspection of workplaces, return of dead bodies of the migrant workers, and financial assistance to the family of the deceased migrant workers. ▪ Providing financial support for the income of poor migrant workers and their families. ▪ Awarding scholarship to meritorious children of migrant workers; ▪ Giving financial support for strengthening the labor Wing of Bangladesh Mission abroad.

⁸ Activities of "Wage Earners Welfare Board" are mentioned here although it works mainly at post -migration stage. WEWB was established as a statutory body to manage the Welfare fund under "Wage Earners Welfare Board Act, 2018". WEWB managed by an intergovernmental official run board. It works as a subsidiary of Bureau of Manpower Employment and Training.

⁹ Welfare Fund is a Bangladesh govt. fund that financed by mandatory contributions from migrant workers.

Ministry/ Organizations/ Institutions	Types and Origination	Activities
Probashi Kallyan Bank (PKB) ¹⁰ (Expatriates' Welfare Bank) Established in 2011.	PKB is a specialized bank in Bangladesh that continues its operations through 120 branches in various districts within the country.	Dedicated to extend collateral free loans at low interest rates to migrant workers. Loan Services of the bank are Immigration Loans, Rehabilitation loans, Bangabandhu immigrant large family loans, Special Rehabilitation Loans Self Employment Loans, 2021, Female immigration loan and Women Rehabilitation Loans

Source: Researchers' compilation.

2.2. Policies Available with Pre-Migration Financial and Non-Financial Services in Bangladesh

Having explicit policy on international labor migration from Bangladesh has resulted to the creation of various Government agencies to promote, manage, and protect migrant workers. These policies are likely to be conducive to finance migrants at premigration stage, promote the employment of Bangladeshi overseas and regulate private participation in the recruitment process (Table-2.2).

Table 2.2: Important Act/ Policies/Rules Available with Pre-Migration Financial and Non-Financial Services in Bangladesh

Types	Act/ Policies/Rules	Brief Contents	Benefits/ Objects
Policy Relating to Financial Services/ Benefits	Cash Incentive for Inward Foreign Remittance.	From 1 January, 2022 the cash incentive has been increased to 2.5 percent from 2 percent. The incentive was elevated to 5% in October 2023. Earlier only 2.5 percent	Higher benefit would be derived by wage earners and it will encourage more inward flow of remittance.

¹⁰. Established in 2011 through the Probashi Kallyan Bank (PKB) Act 2010. It had a startup capital of Tk. 1 billion and 95 percent of the capital came from Wage Earners' Welfare Fund and five percent from the government of Bangladesh.

Types	Act/ Policies/Rules	Brief Contents	Benefits/ Objects
		incentives were given by the government. From now on, the banks will be able to offer incentives at the rate of 2.5 percent side by side of the govt.	
	Compulsory Insurance Scheme for The Expatriates	Wage Earners' Welfare Board along with the Jiban Bima Corporation has introduced a compulsory insurance scheme called 'Probashi Karma Bima'-a mandatory group insurance facility for expatriates. The expatriate workers age between 18-58 yrs. can opt for coverage of Tk10 lakh for five years (renewable) by paying a one-time premium of Tk1,000.	<ul style="list-style-type: none"> • In the event of workplace death or and permanent disabilities like loss of eyes or limbs, the maximum insurance claim is Tk10 lakh. • In case of partial limb losses, the expatriate workers will be eligible to claim 5-10% of the total insurance coverage. • If a worker goes abroad for employment but returns without finding a job or returns home after losing a job within six months of migration, they will receive compensation of Tk. 50,000 from the insurance.
Policies Available for Non-Financial Services in Bangladesh	Overseas Employment and Migrants Act (OEMA) 2013 (Amendment Bill 2023 passed in National Parliament.)	OEMA serves as an important legal document in Bangladesh pertaining to the protection of the rights and welfare of migrant workers.	<p>The OEMA covers important grounds for protecting migrant workers, including necessitating--</p> <ul style="list-style-type: none"> ▪ written employment contracts with the terms and conditions of the work overseas; establishing Labor Welfare Wings in receiving states to address workers' complaints and

Types	Act/ Policies/Rules	Brief Contents	Benefits/ Objects
			<p>forbidding illicit recruitment activities.</p> <ul style="list-style-type: none"> ▪ Govt. has revised the Overseas Employment & Migrants Act 2013 to ❖ make middlemen handling international migration accountable ❖ emphasize on female migrants' rights ❖ Fines for recruiting agency crimes.
	Expatriates' Welfare and Overseas Employment Policy-2016.	In this policy, activities/ action plan is scheduled for 13 ministries, departments and government agencies.	For strengthening inter-ministerial cooperation and to establish a participatory steering framework, National Steering Committee on overseas employment has been formed. National Labor Migration Forum has also been formed to ensure stakeholder engagement.
	Overseas Employment and Migrant (Recruiting Agent License and Conduct), Rules, 2019.	The Govt. included a 12-point code of conduct for the recruiting agents.	The rules will prohibit recruiting agents from taking any extra fee from immigrants other than the service charge fixed by the government.
	Overseas Employment and Migrant (Recruiting Agent Classification) Rules, 2020.	A 'recruiting agent classification evaluation committee' will evaluate agents' performance in light of 14 types of activities related to labor migration and will be categorized as A, B, C and D according to their performance.	This new monitoring mechanism will help control forgery and other irregularities in this sector. and efficiently promote human resource export.
	The National Reintegration	The Ministry of Expatriates' Welfare and	The services will include:

Types	Act/ Policies/Rules	Brief Contents	Benefits/ Objects
	Policy for Migrants in 2022.	Overseas Employment (MoEWOE) has prepared this policy aims to provide a range of services to migrant workers who are returning home.	<ul style="list-style-type: none"> ▪ A comprehensive financial literacy training; Entrepreneurship training; and budgeting and financial counselling for proper utilization of remittances. ▪ Special benefit packages for the returnees and their family members based on remittances received; ▪ Comprehensive database for returnees (ReMiMis).
	Others	Emigration Rules 2002; Wage Earner's Welfare Board Ordinance, 2002; Recruitment Agent Ordinance 2002; Overseas Employment & Migrants Act 2013; MOE Law-2017(01-08-2017); Overseas Employment and Immigrants (Recruiting Agent License and Conduct) Rules– 2019; Overseas Employment and Immigrants (Recruiting Agent Classification) Rules– 2020; Migrant Worker Rehabilitation Loan Policy for 2020; Guest Instructor and Guest Skilled Worker Invitation and Remuneration Policy, 2022; Notification, Ministry of Expatriate Welfare and Foreign Employment, Legislative Branch; General Order-2023 regarding Compromise Settlement of Grievances	These rules and policies are formulated to address the problems of expatriates stemmed from time to time.

Source: Researchers' compilation

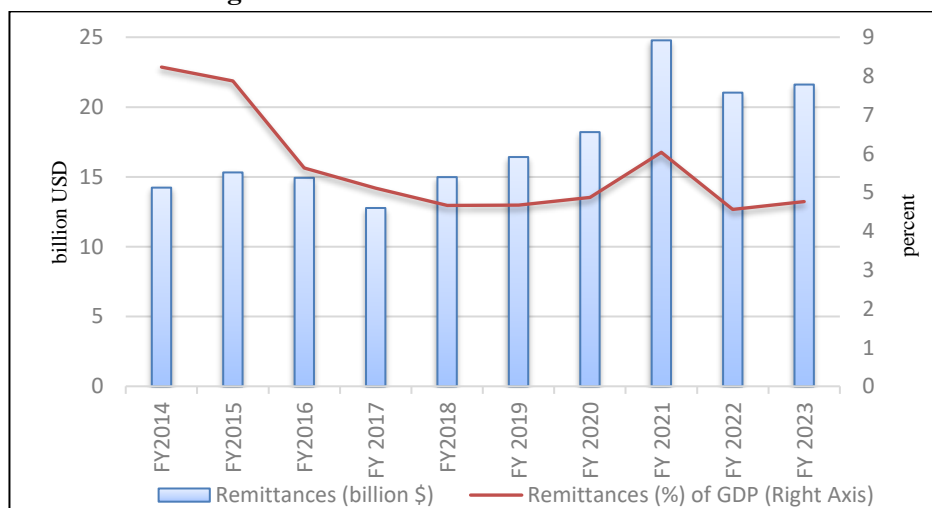
Section: 3: Anatomy of Remittances Inflow in Bangladesh

The inflow of overseas remittances is always a reliable source of net foreign currency earnings for Bangladesh although inward remittance is always sensitive to economic and political volatilities in source countries. The remittance as a share of GDP is 5.2 percent in Bangladesh in 2023 which can be substantially higher if the informal flows of remittances could have taken into consideration.

3.1. Remittance Inflow to Bangladesh

Remittances inflows to Bangladesh have increased to USD 21.6 billion in FY23 from amount of USD 14.2 billion in FY14. Remittance flows to Bangladesh upped in 2023 from the negative growth in 2022. Further, fluctuation of amount of remittances has been noticed in this period reaching a peak of USD 24.8 billion in FY21 with the lowest amount of USD 12.8 billion in FY17 (Figure-3.1). Workers' remittances as a percentage of GDP, which averaged around 6.3 percent during the 2014-2018 period (Figure-1), reflecting a steady growth in remittances as percentage of GDP in the last decade.

Figure 3.1: Trends of Workers' Remittances

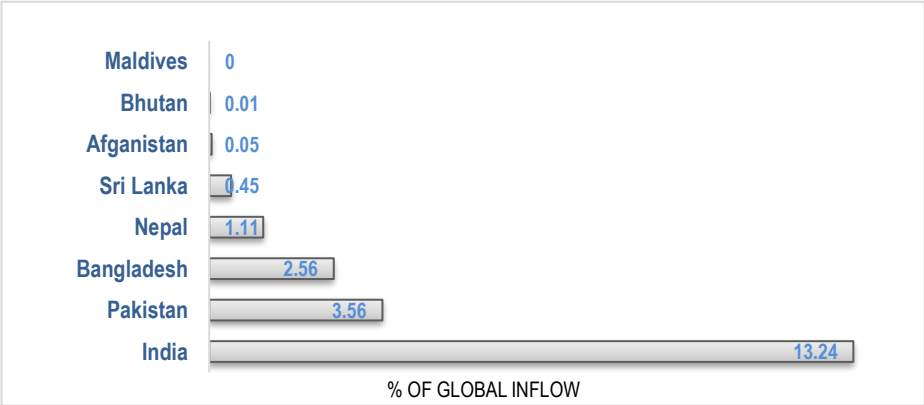


Source: Bangladesh Bureau of Statistics and Bangladesh Bank

3.2. Position of Remittance Recipient Countries in South Asia

South-Asian countries take the lead as the top remittance recipients with a growth rate of 12.2 percent reaching \$176 billion in 2022 (Migration and Development Brief 38, World Bank, June 2023). In terms of the percentage of global remittance inflows to each South Asian country, Bangladesh¹¹ is the third largest recipient country while India is the highest remittance recipient followed by Pakistan (Figure-3.2).

Figure 3.2: Position of Top Remittance Recipient Countries in South Asia, 2022



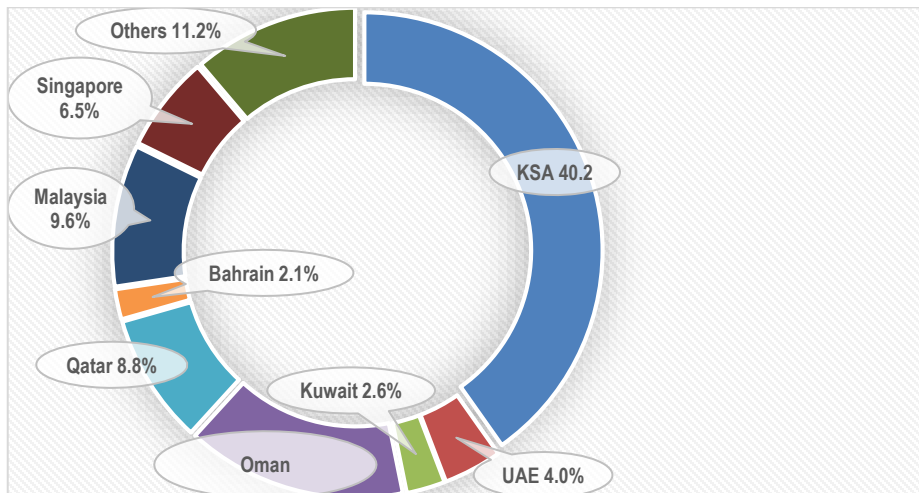
Source: Migration and Development Brief 38, World Bank.

3.3 Destination of Migrant Workers and Share of Remittances, 2013-2023.

The Kingdom of Saudi Arabia (KSA) remains the largest market for Bangladeshi migrant workers, accounting for 40.2 percent of foreign employment during 2013-2023. However, a substantial proportion overseas employment has been absorbed by Oman (14.9%), Malaysia (9.6%) and Qatar (8.8%) (Figure-3.3). In consideration of 10 years data (2013-2023), UAE accommodated only 4.0 % of total Bangladeshi migrant workers. Notably, UAE was the largest destination for Bangladeshi expatriates till 2012 afterward it came down drastically which was started to rise again in 2022 (BMET).

¹¹ Bangladesh is the seventh highest recipient of remittance among all countries.
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Figure 3.3: Share of Destination of Migrants 2013-2023



Source: Author's own calculation based on BMET data.

3.4. Growth and Share of Remittances by Region

Remittances inflows from all the regions are demonstrating a positive growth rate (Figure 3.4), however, the pace of growth has remained higher in the EU, USA, and other countries as compared to prime regions of remittance income of Bangladesh like Gulf and Asia- Pacific area for the last ten years (Figure 3.4). This is reflected in the share of remittances inflows (Table 3.1). The share of remittance of Gulf¹² and Asia Pacific reduced from 59 percent and 10 percent in 2019 to 51 percent and 8 percent in 2023 whereas USA, and EU recorded increasing trend in the last five years between 2019 and 2023. The fact that the United States is among the top nations from which remittances are being sent more and more to Bangladesh indicating that there is a sizable Bangladeshi diaspora living there and are sending remittances in formal way.

¹² The overseas labor market and remittances inflows to Bangladesh are always transforming. In the last decades, even within the Gulf region, manpower export has shown a significant change. For example, United Arab Emirates (UAE) was the main destination of Bangladeshi workers (over 35% of the total) in 2012 around and Saudi Arabia was far behind in this respect (3.5%). But in a decade, manpower export to UAE shrunk to a low of 8.9% percent and Saudi Arabia became the major market for employment of Bangladeshis registering a share of 53.9 percent of total overseas employment in 2022.

Figure 3.4: Growth of Remittances by Region 2014-23

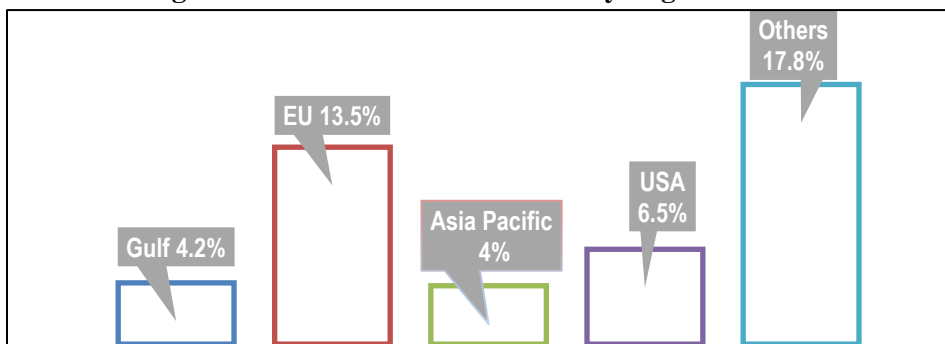


Table 3.1: Share of Remittances by Regions (%)

Year	Gulf	EU	Asia-Pacific	USA	Others	Total
FY19	59	12	10	11	9	100
FY20	58	12	10	13	7	100
FY21	60	12	11	14	3	100
FY22	53	15	8	16	8	100
FY23	51	16	8	16	9	100

Source: Authors' Own Calculation Based on BMET Data.

3.5. Migrant Workers: Professional, Skilled, Unskilled and Others

The majority of Bangladeshi employed abroad belongs to unskilled categories, followed by skilled and semiskilled category, respectively (Table-3.2). The unskilled category, which accounted for the largest share of annual migrations of over 50 percent a decade ago, has increased substantially to a share of 74 percent by 2022. On the other hand, the share of labor migration under professional and skilled employee categories combined has down from around 33 percent to 22 percent during the same period. Semi -skilled category decreasing from 15 per cent to 4 percent between 2013 and 2022 is not also a positive note, requiring to undertake initiatives in this respect. Migrant Bangladeshi laborers with lower technical and linguistic skills find it problematic to negotiate better wages. Moreover, in some cases, they experience deprivation and face human rights abuses.

Table 3.2: Migrant Workers: Professional, Skilled, Semi -Skilled, Unskilled and Others

Year	Skilled*	Semi-Skilled	Unskilled	Others	Total
2013	33	15	50	2	100
2014	36	16	45	3	100
2015	39	16	44	1	100
2016	43	16	40	1	100
2017	44	15	40	1	100
2018	43	16	39	2	100
2019	44	20	28	8	100
2020	29	4	64	3	100
2021	21	3	74	2	100
2022	22	4	74	0	100

Source: Authors' Own Calculation Based on BMET Data.

Note: Professional migrants are included in 'Skilled Manpower Category' as this class of migrants are holding a very little percentage ranging from 0.1 percent to 0.6 percent of total.

3.6 Migrants Worker: Male and Female

The number of female labor migration fluctuated throughout the period 2013-2023, making up a small fraction of the total annual labor migrants from Bangladesh (Table-3.3). The share of female migrants has decreased from 18 percent in 2014 to 6 percent in 2023. Even at the peak of female migration in 2015, women made up just less than one-fifth of the total number of migrants indicating female migrants are sharing a small percentage of total with a perennial decreasing trend.

Table 3.3: Migration: Male Vs Female (%)

Year	Male	Female	Total
2014	82	18	100
2015	81	19	100
2016	84	16	100
2017	88	12	100
2018	86	14	100
2019	85	15	100
2020	90	10	100
2021	87	13	100
2022	91	9	100
2023	94	6	100

Source: Authors' Own Calculation Based on BMET Data.

Section 4: Review of Financial and Non-Financial Initiatives Available for Migrants at The Pre-Migration Stage in Bangladesh

4.A. Financial Services Available for Migrants

A bank normally offers a variety of deposit and loan products along with quick and easy mechanisms of transferring remittances to the migrant workers.

4.A.1. Saving Products for Migrant Workers

Banks regardless of their nature of ownership and activities have a number saving products with a view to onboarding migrant workers as more as possible (Table 4.1). Expatriates can open and operate these saving deposits products before their departure and even after reaching destination without their physical presence. The financial and non-financial features of saving products offered by all group of banks are more or less uniform. The information relating to the deposit schemes are available in the individual banks’ website. Information relating to all types of deposit products are not maintained and available in a place where all migrant workers could have easily accessed. Further, it is noticed that banks do not have products similar to pension schemes or instruments like green bond, sukuk bond or plain vanilla bond to entice more foreign remittances. The recent permission of Bangladesh Bank as per the Off-shore Banking Act 2024 to allow both Bangladeshis staying abroad and foreign nationals for opening deposit account in Off-shore Banking Unit (OBU) of banks will be a new avenue to attract deposits in foreign currency.

Table 4.1: Saving Products for Migrant Workers

Banks	Savings Products’ Name	Features
SOCBs	Probash Deposit Scheme, Remittance with Mobile Wallet, Savings Account, Migrate Savings Scheme, Foreign Currency Deposit Account, Non-Resident Foreign Currency Deposit Scheme, Migrate Savings Schemes, etc.	No physical presence required and possible to open from abroad by sending duly completed AOF.
PCBs - Conventional Banks	Probashi Savings Account, NRB My Savings, NRB Rising, Jonmovumi Savings Account, Jonmovumi MSDS	No initial deposit required for opening this account.

Banks	Savings Products' Name	Features
	Account (Monthly Savings Deposit Scheme), Jonmovumi FD Account (Fixed Deposit Account), Prabasi Masik Sanchaya Prokolpo; NRB DPS Plus, Wage Earners Pension Saving; Probashi Excel Account; Remittance Savers Account; NFCD Term Deposit Account; NRB Term Deposit Account; Wage Earner's Pension Scheme (WEPSS); Fixed Deposit (FRD); Monthly Savings Scheme; Probashi Shwapno; NRB Savings Account; NRB Deposit Scheme, etc.	<ul style="list-style-type: none"> • Interest/profit calculated on the daily average balance. • Higher interest/profit rate (0.5%-1% more than common) on maintaining a certain balance in the account. • Free VISA Debit card facility. • 24X 7 access to the largest network of VISA ATM and POS.
PCBS -Islamic Banks	Mudaraba Probashi Kallyan Deposit Pension Scheme (MPDPS); Mudaraba Swadesh Savings Account (MSSA); Mudaraba Probashi Kallyan Savings Scheme; Mudaraba Special Savings Account (MSSA); Mudaraba Expatriate Housing Deposit Scheme (MEHDS); Mudaraba NRB Savings Bond (MNSB); Mudaraba Foreign Currency Deposit Account (MFCD); Mudaraba Foreign Currency Term Deposit Receipt Account (MFCTDRA); Mudaraba International Banking Account (MIBA), etc.	<ul style="list-style-type: none"> • No ledger fees/relationship charge • Free Internet banking facility with fund transfer facility. • E-commerce transactions facility through Internet Banking. • Free SMS or Alert Banking. • Free Cheque Book Facility. • Dedicated email ID for any account-related queries.
FCBs	Foreign Currency Current Account, Foreign Currency Time Deposit Account (FCTD), Sohni Dharti Remittance Program; Non-Resident Foreign Currency Deposit (NFCD), etc.	<ul style="list-style-type: none"> • Lucrative investment and savings products linked to this account.
Probashi Kallyan Bank	Probashi Saving Deposit; Bangabandhu Double Benefit Scheme; Bangabondhu Sikkha Saving Scheme and Bibah Savings Scheme, etc.	

Source: Researchers' Compilation

4.A.2. Loan Products for Migrant Workers

A variety of loan products are being offered by banks to get easy access of migrants or prospective migrants to bank loans. The titles of the loan products particularly offered by PCBs and Probashi Kallyan Banks (PKB) are well sounding and close to the emotional feeling of expatriates (Table-4.2). The conditions set by banks for availing the loan facility look easy going too. Even banks are ready to offer loans without any security subject to fulfilling some conditions. It is however noticed that lack of financial literacy, absence of knowledge about the loan products, burden of documentation in getting loans, relatively shorter period to repay the banks' loan are being considered as hurdles to get advantages of loan products.

Table 4.2: Loan Products for Migrant Workers

Banks	Loan Schemes' Name	Features
SOCBs	Loan for Overseas Workers; Expatriate Employment Loan Scheme, etc.	<ul style="list-style-type: none"> • Applicable for any person who has got a valid job visa abroad and also for people willing to go abroad for a job.
PCBs- Conventional Banks	Shabolombi Loan; Loan to Family Members of Remitters; Probash Bandhu loan; Probash Nibash loan; Consumers Loan; Overseas Employment Investment Scheme (Swapnojatra); Migration Loan; Women Migration Loan; Reintegration Loan; Bangabondu Avibashi Brihat Poribar Loan; Special Reintegration Loan for Business; Self-employment Role; NBL Probash Bandhu Loan; etc.	<ul style="list-style-type: none"> • Persons having completed a Passport, Training, Visa, Health Exam, Smart card of BMET or Airline Ticket or Documents of guarantor or have completed partially of these. • No Collateral required/ Collaterals security may not be insisted up to an Investment of Tk.0.50 million only. • For loan projects of women reduced interest rate applicable (7%).
PCBS-Islami Banks	Overseas Employment Investment Scheme (Swapnojatra); NRB Entrepreneur Investment Scheme (NEIS);	<ul style="list-style-type: none"> • Trade license for loan projects as additional paper. • 100% lien MSS or TDR Deposit Accounts

Banks	Loan Schemes' Name	Features
	Rehabilitation Finance Scheme, etc.	<ul style="list-style-type: none"> • Persons wishing to go abroad for job and in need of money can apply for loan subject to fulfilling following: <ul style="list-style-type: none"> ○ Age limit 18-45 years ○ Loan limit 50,000- 3,00,000 ○ Intt. Rate 9% (changeable) ○ Period 15-18 months ○ Repayment by monthly installment which to be deducted from his/her savings account ○ Personal guarantee of clients' close relatives (Father, Mother, Brother, Sister) ○ Easy loan processing
FCBs	NRB Home Loan, etc.	
Probashi Kallayn Bank	Immigration (Abhibasi) Loan; Bangabandhu Immigration (Abhibasi) Large Family Loan; Rehabilitation (Punorbashon) Loan; Loan for Reintegration of Returnee Migrants Distressed by COVID-19; Women Migration Loan (Nari Abhibasan Loan) and Women Rehabilitation Loan (Nari Punorbashon Loan); Special Rehabilitation (Punorbashon) Loan, etc.	

Source: Researchers' Compilation

4.A.3. Remittance Transfer Mechanism

A customer friendly quick mechanism to send money to the country is the foremost important to address the curse of hundi¹³. Banks are following a number of mechanisms like agreement with well-known International Money Transfer Companies, opening Exchange Houses abroad as subsidiary of parent bank, launching Software for Remittance Payment System, Initiation of online banking Platform to transfer Funds to Bangladesh from Non-Resident Exclusively Remittance, etc. (Table-4.3).

¹³ Informal system for transferring money.

Table 4.3: Remittance Transfer Mechanisms

Banks	Remittance Transfer Mechanisms
SOCBs	Depositing Remittance Money from Foreign to beneficiary Account in 5 seconds like RMS+; Agreement with Well-known International Money Transfer Companies; Launching Software for Remittance Payment System for Providing Online Cash Deposit and Cheque Payment as well as Instant Payment of Foreign and Inland Remittances like JB Remittance Payment System; Creating Subsidiary Company of the Parent Bank Like Sonali Exchange Company Inc. (SECI); Spot Cash/ Cash Over the Counter Remittance; Catering Remittance service to British Bangladeshi Diaspora like Sonali Pay UK limited; and Remittance through Mobile Wallet.
PCBs - Conventional Banks	Inward Remittance Service through Visa Direct; Opening Exchange Houses Abroad as Subsidiary of Parent Bank; Agency Arrangement with Exchange Houses and Money Transfer Companies like Western Union, Ria, Xpress Money, PLACID; Instant Cash Worldwide; OBPLC (One Stop Remittance by One Bank PLC); Payment through third Bank in Bangladesh by BEFTN; Cash Express Money Transfer Services; Affiliation with PAGE NGO and Banglalink Telecom Operator for the Most Diversified Remittance Disbursement Networks of 800 Service delivery locations; Mobile Cash Pay; and Virtual Mobile Wallet based Account Credit.
PCBS -Islami Banks	Agreement with Money Transfer companies like Daytona Capital Management Limited; Western Union; Mobile Apps backed by Exchange House/ MFS; and Apps Banking (Instant Cash, SJIBL Net).
FCBs	Fast and Free Money Transfer Arrangement to Bangladesh from the U.S.A., U.K., Canada, Australia, Japan, Middle East, Germany, Belgium, China, etc.; Swadashree Banking of Standard Chartered Bank; Online banking Platform to transfer Funds to Bangladesh from Non-Resident Exclusively Remittance-fed (NRX), and Joint Taka Account with a Resident (JTR), etc.
Probashi Kallyan Bank	Repatriation of foreign remittances through 18 exchange houses and distribution activities through its 120 branches countrywide.

Source: Researchers' Compilation

4.B. Non- Financial Services Available for Migrants at the Pre-migration Stage

Non-financial services like skill development, creating awareness among migrants about their rights, addressing complaints of expatriates, sending people at lowest costs, etc. are being offered by different organizations like BMET and BOESL.

4.B.1. Bureau of Manpower Employment and Training (BMET)

BMET is engaged in overall planning and implementation of the strategies for regulating migration process, promoting migrant workers' rights and skill development and proper utilization of migrant workers of the country. To this end, it offers training and fingerprint services, diversifies job market abroad, establishes support center, assists distress women workers, etc. (Table 4.4).

Table 4.4: Non- Financial Services Offered by BMET at Premigration Stage

Sl No.	Initiatives	Particulars
1.	Creation of Skilled Manpower in Line with the Demand of Local and Global Labor Market	BMET is providing skill development trainings through many training institutions. There are six (6) Institutes of Marine Technology under BMET that provide four (4) years of diploma in Marine/ Ship Building Technology and 2 years of 4 certified trade courses. Importantly, BMET with 64 technical training Centers (TTCs) across the country offers 2-year vocational courses and short-term courses from one to six months like 30 days of orientation training courses for outgoing female workers and mandatory 3-day orientation program for the migrant workers. They are also running skill test for the migrant workers.
2.	Licensing Recruiting Agencies	Since its inception, BMET has licensed 1965 recruiting agencies in order to guarantee competition in the migration process. It issued 342 new recruitment licenses in FY2022–2023.
3.	Fingerprint Services for Registration	The fingerprint services for registration have been decentralized to every district of the country to bring the facilities to the doorsteps of expatriates.
4.	Complaints of Expatriate Workers	A total of 3044 complaints were filed by expatriate workers in FY 2022–2023, of which 693 cases were settled and Taka 4.30 crore was paid out as compensation.
5.	Construction of Schools	The construction of nine schools that will follow the Bangladeshi curriculum is now ongoing in various cities of Kingdom of Saudi Arabia (KSA) for educating the children of Bangladeshi workers employed in KSA.

SI No.	Initiatives	Particulars
6.	Establishing Support Centre	The project of establishing three support centers (Riad, Jeddah and Dubai) for assisting Bangladeshi workers facing various problem working in Saudi Arabia and United Arab Emirates is going on.
7.	Assisting Distressed Women Workers	The labor wing of the concerned Bangladesh embassy comes to the aid of women workers who are in distressed situations at work. In addition, the embassies of Bangladesh in Read, Jeddah, and Oman have established four safe homes to provide these women workers' temporary shelter.
8.	Diversification of Job Market	For the past ten years, an average of seven lac workers has found overseas employment in each year. Due to the diversification of the job market, currently Bangladeshi manpower is employed in 174 countries.
9.	Sending Manpower to Japan	A total of 263 workers were sent to Japan as technical interns without any migration cost through the International Manpower Development Organization, Japan (IM Japan) in in FY 2022-23.

Source: Annual Reports, BMET

4.B.2. Bangladesh Overseas Employment and Services Limited (BOESL)

Established under the Company Act VII of 1913, BOESL is the Government overseas recruitment organization responsible for completing fast, efficient and effective recruitment procedures (Table-4.5). Sending Garments workers abroad under Government arrangement by BOESL is one of the highly appreciating tasks and is required to take more initiatives to send more professional/ migrant workers abroad under Govt. to Govt. (GTG) or other arrangements.

Table 4.5: Non-Financial Services Offered by BOESL at the Premigration Stage

SI No	Services	Particulars
1.	Sending Migrants at Lowest Costs and Fewer Days.	BOESL provides service at the lowest possible migration cost. The whole recruitment procedure usually doesn't take more than 45 working days.
2.	Sending Manpower	A total of 1,27,612 workers have migrated to different destinations through BOESL during 2011–23 financial year. In 2022–23, a total of 15,294 job seekers received foreign employment through BOESL.

3.	Special Initiatives to Send Garment Workers to Jordan.	BOESL has taken a special initiative to ensure the safe and zero-cost migration of female garment workers to Jordan. A total number of 94,692 female garment workers have got employment in Jordan through BOESL from 2010 to June 2023.
4.	Creation of Positive Image of Bangladesh	Projection the image of Bangladesh as a reliable source of potential manpower is done by means of regular publicity and promotional activities.

Source: Researchers' Compilation

4.B.3. Wage Earners' Welfare Board (WEWB)

WEWB provides legal assistant, stipend, ambulance service, life insurance and financial support individually or in collaboration with PKB; and establishes call center, welfare desk, short term accommodation for lasting and meaningful welfare of the migrant workers and their families at home and abroad (Table-4.6).

Table 4.6: Non- Financial Services¹⁴ Offered by WEWB at the Premigration Stage

SL No	Services	Particulars
1.	Expatriates' Welfare Desk and Short-Term accommodations	Expatriates' Welfare Desk at all international airports in Bangladesh; and Short-time accommodation for incoming and outgoing workers in transit in Dhaka-Bangabandhu Wage Earners' Centre.
2.	Ambulance, Stipend and Life Insurance	Ambulance Service for migrant workers; Stipends for children of migrant workers; and Life Insurance for outgoing workers.
3.	Call Centre	24/7 Toll-free Call Center for providing information and assistance on migration related issues.
4.	Legal Assistance	Legal assistance and other welfare services to migrant workers through labor welfare wings in Bangladesh Mission in destination countries.

Source: WEWB.

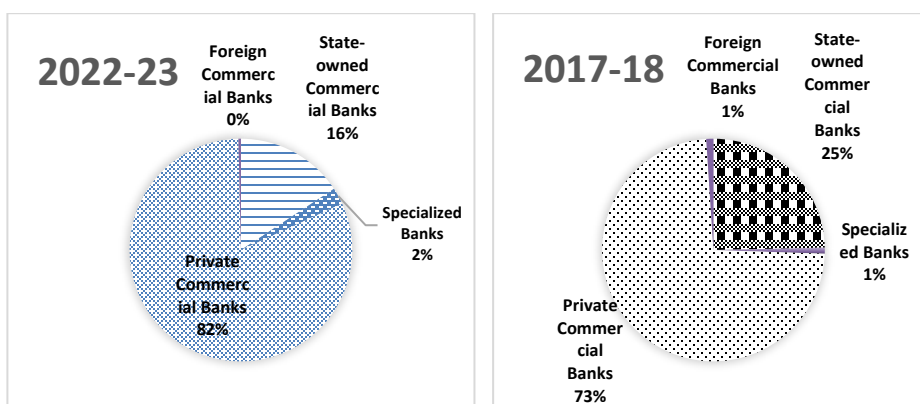
¹⁴ WEWB also offers some financial services such as financial support for schooling of Bangladeshi children in some destination countries; skill development programs for Bangladeshi expatriates abroad; medical treatment for returnee workers; vulnerable returnee female migrant workers; and Loan facility to the outgoing and returnee workers through Probashi Kalyan Bank (PKB).

Section 5: Examining the Effectiveness of Financial Initiatives in Promoting Remittance in Bangladesh

5.1. Remittances Inflows by Different Groups of Banks

PCBs are dominating in bringing inward remittances at a progressive rate. The share of PCBs in total inward remittances in 2022-2023 reached 82 percent increased from 73 percent in 2017-18. On the contrary, SOCBs have lost their share of inward remittance by almost 9% (25 percent -16 Percent) within five years only. The share of FCBs and SBs is very tiny. The share of SOCBs in inward remittance is decreasing although remitters have relatively more confidence in SOCBs and these banks have networks across the country which is an additional benefit for the quick disbursement of remitters' money to local recipients.

Figure 5.1: Remittances Inflows by Different Groups of Banks



Source: Bangladesh Bank

5.2. Expense for Going Abroad Starting from Preparation Phase to Reaching Destination

From planning to going abroad, the breakdowns of expenses incurred in different stages are given in Table 5.1 namely for Passport, Health Examination, Visa Processing, Plane fare, etc. The majority of the respondents spent BDT 5,000 to 10,000 for passports whereas a few of them were found to spend more than BDT 15,000 also. Here to state that, the expense of making a passport depends on the length of time to get the passport. Costs for health examination needed for VISA

purposes vary as country-based health examination centers are designated for health testing. This cost is found between BDT 1,000 to BDT15,000 and more. Most of the respondents spent BDT 1,000 to BDT 5,000 for this purpose whereas a small percentage spent below BDT 1,000. Visa fees vary by country and are determined based on reciprocity with the country of the foreign national seeking a visa. Visa processing fees for the twelve destination countries of the respondents namely Jordan, Saudi Arabia, Malaysia, Dubai, Singapore, Maldives, Oman, Cyprus, Iraq, UAE, Mauritius, Algeria, Qatar, Lebanon, North Macedonia, Kuwait, Kyrgyzstan and Croatia are reflected here. On the other hand, the cost of plane fare depends on the distance, available airlines, number of available flights, how far in advance the booking is made, season, etc. From the table, it is observed that most of the respondents spent BDT 50,000 to 100,000 for the plane fares.

Table 5.1: Expense for Going Abroad

Expenses for Going Abroad	Range of expense	Respondents (in Percentage)
Passport	Below 5000	3.75
	5000-10000	57.50
	10000-15000	33.75
	15000+	5.00
		100
Health Examination	Below 1000	8.45
	1000-5000	35.21
	5000-10000	30.99
	10000-15000	19.72
	15000+	5.63
		100
Visa Processing	Below 50000	8.2
	50000-150000	34.4
	150000-300000	39.3
	300000-450000	11.5
	450000+	6.6
		100
Plane Fair	Below 50000	19.7
	50000-100000	54.1
	100000-150000	24.6
	150000+	1.6
		100

Source: Survey, 2024

5.3. Source of Finance for Going Abroad

Migrants usually manage financing for going abroad from their income, or from selling land, selling houses, ornaments or other assets. The most used source of money for going abroad for the first time was own income followed by the sale of other assets and land (Table-5.2). Whereas workers going abroad a second time used their income mostly as a source of finance followed by the sale of jewelry and sale of other assets.

Table 5.2: Sources of Finance for Going Abroad

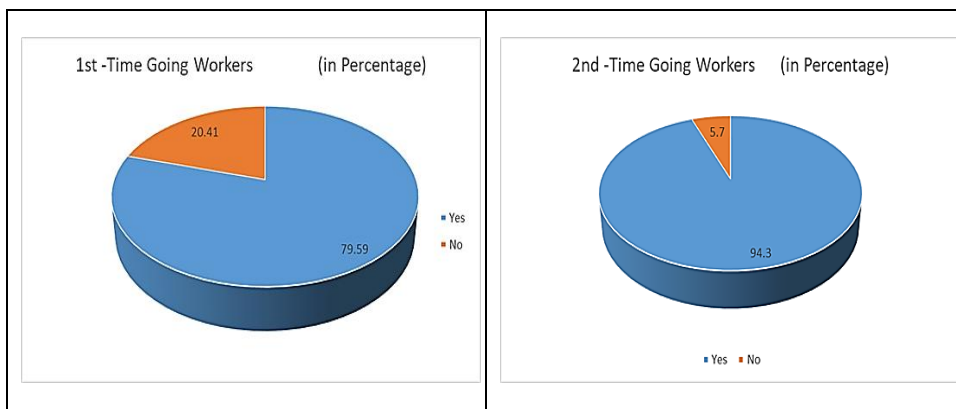
Source of Finance	1 st Time Going Workers		2 nd Time Going Workers	
	Number of Respondents	Percentage	Number of Respondents	Percentage
Own Income	27	55.10	27	58.70
Sale of Land	7	14.29	4	8.70
Sale of House	0	0	0	0
Sale of Jewelry	6	12.24	8	17.40
Sale of Other Assets	9	18.37	7	15.20
Total	49	100	46	100

Source: Survey, 2024

5.4. Bank Account by Own Name / With the Name of Family

It is possible to send money from abroad easily if a migrant has a bank account in his/her name or in the name of any of his/ her family members. It also helps them to avail of other financial benefits as well as services from a bank. It has been observed that most of the workers going abroad either for the first time or second time had a bank account in the name of him/her or any of his/her family members (Figure-5.2).

Figure 5.2: Having a Bank Account by Own Name/ With the Name of the Family



Source: Survey, 2024

5.5. Sources of Borrowed Money for Going Abroad

In order to cover the migration-related expenses, migrants depend on multiple sources for loans, like borrowing from Mahajan/Shomiti, NGO, Bank/FI, Government Scheme, Family members, and Friends (Table-5.3). Among them, most loans are given by Family members followed by NGOs, Mahajon/Shamiti, and Bank/FI. Although, many banks offer and deliver migration loan services with attractive offers, a very few borrowers were found to borrow from commercial banks and financial institutions to manage their migration costs. Only 4.35 per cent 1st-time time-going workers reported that they borrow from Bank/FIs to cover migration expenses while 24 per cent and 6.5 per cent of them reported they borrowed money from NGOs and Mahajan/Shomiti, the costs of which differ significantly. They borrow from them in a bilateral agreement often without a notary or any paper trail. Despite the inflated interest rates charged by them, workers prefer these sources due to their accessibility and flexibility. Workers also borrow money from other informal sources such as family members and friends. For workers who go abroad with loans, the sources of family members are revealed as the prime source as 63 per cent for 1st-time going workers and 69 per cent for 2nd-time going workers utilised family income to go abroad.

Table 5.3: Sources of Borrowed Money for Going Abroad

Variables	For 1 st Time Going (Number of Respondents)	For 1 st Time Going (in Percentage)	For 2 nd Time Going (Number of Respondents)	For 2 nd Time Going (in Percentage)
Mahajan/Shomiti	3	6.52	1	7.69
NGO	11	23.92	2	15.38
Bank/FI	2	4.35	0	0
Government Scheme	0	0	0	0
Family Member	29	63.04	9	69.24
Fiend	1	2.17	1	7.69
Total	46	10	13	100

Source: Survey, 2024

5.6. Time to Start Earning Money after Reaching the Destination Country

The time to start earning money after reaching the destination country as per the opinion of 2nd-time going workers is from 7 days to 30 days (Table-5.4). Most respondents i.e. 45.71 percent migrants were found to start earning money after reaching their destination by more than 30 days, followed by 7 days with 34.29 percent and 7-15 days with 17.14 percent.

Table 5.4: Length of time to Start Earning Money after Reaching the Destination Country (percent)

Days Taken to Start Earning	2 nd Time Going Workers (in Percentage)
Below 7 days	34.29
7-15 days	17.14
15-30 days	2.86
30+ days	45.71

Source: Survey, 2024

5.7. Time Taken to Cover Migration Costs with Migrants' Incomes

The majority of the respondents i.e. 31.43 per cent mentioned that they need 6 months' income to cover migration costs, followed by 18 to 24 Months income of 28.57 percent and 6 to 12 Months of 25.71 percent (Table-5.5). However, it is noticeable that around 37.14 percent (28.57 percent + 8.57

percent) migrants require to take income of 18 months and more time to cover their costs of migration, exposing a concern as a substantial number of migrants go to abroad with 2-year contracts.

Table 5.5: Time Taken for Covering Migration Costs with Incomes (percent)

Variables	For 2 nd Time Going (in Percentage)
Below 6 Month	31.43
6-12 Months	25.71
12-18 Months	5.71
18-24 Months	28.57
24+ Months	8.57

Source: Survey, 2024

5.8. Conduits of Sending Remittance to Home

A worker sends international remittances via both formal and informal sources. Formal channels refer to established banking systems and authorized methods of transferring money. The receipt of remittances through the formal channel plays a vital role in enabling the government to acquire foreign currencies, which is essential for upholding macroeconomic stability. As depicted in Table-5.6, workers found sending remittances by Bank account mostly with 78.30 percent followed by Hundi with 8.1 per cent, Agency with 6 per cent and Mobile Apps with 5.6 per cent. Hence, a considerable portion of remittance amount were sent through Hundi that evade official channels.

Table 5.6: Conduits of Sending Remittance to Home (percent)

Conduits of Sending Money	2 nd -Time Going Workers* (in Percentage)
Hundi	8.1
Bank	78.30
Agency	6
App	5.6
Others	2

Source: Survey, 2024

Note: *The researchers collected aforesaid data only from the 2nd time-going workers.

Section 6: Examining the Effectiveness of Non-Financial Initiatives in Promoting Remittance in Bangladesh

6.1. BMET's Academic Programs

BMET is offering different types of trainings with the growing number of migrants in each year. The flagship training programs of BMET is called as Pre-Departure Orientation (PDO) arranged for 3-day which covers immigration process, prevailing laws of the country, necessary policies and employment regulations abroad, prior idea about the job, overall security and environment of their destination country and understanding of various communicable diseases. In 2023, a total number of 1,116, 084 migrants got PDO with a CAGR of 18.20 percent between 2019 and 2023. The newly launched program, Recognition Prior Learning (RPL) is an innovative program of BMET. The number of participants in all training programs of BMET except Housekeeping shows increasing rate of participation. The negative CAGR of participation in housekeeping indicates the shrinking trend female workers going abroad.

Table 6.1: BMET's Academic Programs

Year	Nature of Training				RPL ¹⁵
	Pre-Departure Orientation (PDO)	Skill Development ¹⁶	House keeping ¹⁷	Total	
2019	483,760	66,921	33,087	583,768	-
2020	149,916	32,391	4,595	186,902	-
2021	495,492	35,706	17,215	548,413	837
2022	956,956	89,064	23,902	1,069,922	9664
2023	1,116,084	90,857	17,234	1,224,175	10094
CAGR	18.20 %	6.31%	-12.23%	15.96%	64.54 %

Source: Researcher's calculation Based on BMET's Data.

¹⁵ RPL (Recognition Prior Learning) is a certification program for those who have skill but they have no recognition. BMET recognizes those skillful people by providing certificates. BMET launched this program for the last three years.

¹⁶ Under Skill Development, BMET offers language training, Diploma in engineering, SSC Vocational, SEIP Course and Others Short term courses.

¹⁷ House Keeping has been designed only for women migrant workers.

6.2. BMET's Pre-Departure Training (PDT)

PDT is a mandatory 3-day training program¹⁸ for all outgoing expatriates offered by BMET with its more than 100 Technical Training Centers across the country (TTC). In 2023, BMET provided this training to 1,116,084 migrants (Table-6.1)¹⁹. This training has been formulated with 3 modules for 3 days on onsite basis whereas the same training program is being offered by OWWA, Philippines with 7 modules in collaboration with NGOs, PRA, Industry Association with both online and offline basis.

Table 6.2: Comparative Study of Pre-departure Orientation in Bangladesh and the Philippines

	Bangladesh	Philippines
Name	Pre-departure Training (PDT)	Pre-departure Orientation Seminar (PDOS)
Launch	2013	1983
Modules	3	7
Degree of obligation	Mandatory	Mandatory
Implementing Agency	Bureau of Manpower, Employment and Training (BMET)	Overseas Workers Welfare Administration (OWWA)
Providers	Technical Training Centre (TTC)	OWWA, NGOs-domestic workers and entertainers, PRAs, industry associations
Fee	BDT 300	None from the Government but PHP100 by others
Medium	Onsite	Online and onsite
Length of program	3 days of 6 hours daily and 30-day for house keeping	6 hours for general workers; 2–6 days for domestic workers

Source: BMET (2024) and Orbeta & Abrigo (2009).

¹⁸ PDT is usually for 3 day for most of the destination, however sometimes more days trainings are also arranged for some countries.

¹⁹ The study team physically visited few TTCs to get direct feedback from the participants through discussion and a questionnaire. Observations suggest that there remains lack of attentiveness and meaningful participation on the part of a large number of migrants in PDT program. The fact is that one participates in training program just before one's departure. By that time migrants just count their days and remain busy with their family matters. They take the training program as a condition for getting Registration Card to be issued by BMET rather than the opportunity to know some useful or essential aspects related to the migration and the countries in which they are going. They also do not get the required time to reduce the learning and skill gap found at their last stage of migration. So, it might be more effective if the similar type of program is arranged at the beginning of the migration cycle. One thing is noteworthy, although officially mandatory, many migrants especially at the village level are still going without participating the PDT that clearly runs against the interest of the migrants. So, more awareness program about the potential benefit of the PDT program should be conducted in all corners of the country.

6.3. Manpower Export Through BMET

For legal migration²⁰, migrant manpower must have a BMET's immigration clearance card.²¹ To work abroad legally, one must be registered with the BMET at the district office or online through the “Amiprobashi” app. After registration, the worker's documents are scrutinized, and a Smart Card is issued to him as clearance. According to BMET, 1,305,453 people went to the host countries with BMET clearance cards in 2023 recording a CAGR of 11.85 percent during 2014-2023. This growth of overseas employment is phenomenal, thanks to the demand of the host countries. Particularly, the manpower export was upped by two times in 2022 over 2021 which was continued in 2023 also (Table-6.3).

Table 6.3: Overseas Employment through BMET’s Clearance Card

Year	Total Expatriates
2014	425,684
2015	555,881
2016	757,731
2017	1,008,525
2018	734,181
2019	700,159
2020	217,669
2021	617,209
2022	1,135,873
2023	1,305,453
CAGR (percent)	11.85

Source: Researcher’s Calculation Based on BMET’s Data

²⁰ In Bangladesh Recruitment of workers from Bangladesh to various countries takes place through different channels like BMET, a government channel; Bangladesh Overseas Employment and Services Limited (BOESL), a semi-government agent; private commercial recruiting agencies authorized and licensed by the Ministry of Expatriates’ Welfare and Overseas Employment; and Individual initiatives through friends and relatives. Individual efforts through friends and relatives are the most predominant among all the channels (Islam, M. N. (2007). It has been observed from survey that, those who are going to work abroad through friends and relatives are found reluctant to take BMET card.

²¹ For collecting BMET immigration clearance card, a valid passport, fingerprint or bio-metric enrollment in district BMET office, a certificate of completion of 03 (three) days of orientation training at district technical training centers (Not mandatory for those who spent at least 12 months in that country) and attestation of visa and agreement papers from the Bangladesh high commission of the visa issuing country (Not required for all countries) are necessary.

6.4. Survey Responses about the Non-Financial Services Availed by Migrants

6.4.A. Workers Having Plan for Migration Abroad

A planned migration well ahead of going abroad is likely to make some one better prepared than leaving the home country in an unplanned manner. A total of 85.71 per cent and 94.29 per cent workers whom are going abroad for the first time and second time respectively decide to migrate on the basis of a well-thought-out plan whereas a noticeable percent (14.29 per cent) is still going outside the home country for the first time without any definite pre-departure plan (Table-6.4).

6.4: Workers Having Plan for Migration Abroad

Yes/No	For 1 st Time Going (in Percentage)	For 2 nd Time Going (in Percentage)
Yes	85.71	94.29
No	14.29	5.71

Source: Survey, 2024

6.4.B. Information about the Opportunity in the Destination Country

Choosing or selecting the host/ destination country is a vital decision for a migrant worker which bears long-lasting impact on the well-being of the migrants. Bangladesh expatriates use different sources in selecting their countries to migrate (Table-6.5). Family members/ relatives/ friends are in the top of the list as a source of information both for the first time and second time expatriates with 59.18 per cent and 57.14 per cent of the total sample respondents, respectively. A significant number of migrants belonging to both groups i.e. first time and second time migrants become familiar with the destination country through travel agent and agent as is shown below. It is noticeable that hardly any worker of the sample group visits or depends on the website of different countries in getting information about the countries in which they are planning to go.

Table 6.5: Information about the Job of the Destination Country

Sources of Information	For 1 st Time Going (in Percentage)	For 2 nd Time Going (in Percentage)
Family Member/ Friends Working Abroad	59.18	57.14
Travel Agent	18.37	8.57
NGO/ Government Website/ Union Parishad	2.04	5.71
Website of Destination Country	0	5.71
Agent	20.41	11.43
Others	0	11.43

Source: Survey, 2024

6.4.C. Going Abroad with a Pre-fixed Job

A successful migration at the time of departure from the home country demands/requires a certain paid activity in which an expatriate will be involved after reaching the destination country. Around 88 per cent and 92 per cent Bangladeshi workers leave the home country for the first and second time, respectively with a certain job. So, a significant number of the migrants still go abroad without having any pre-determined profession (Table 6.6).

Table 6.6: Going Abroad with a Certain Occupation (Job/Business/Others)

Status of Occupation	For 1st Time Going (in Percentage)	For 2nd Time Going (in Percentage)
Migration with Pre-fixed	87.76	91.43
Migration without Pre-fixed Job	12.24	8.57

Source: Survey, 2024

6.4.D. Participation in Training before Going Abroad

Going abroad with formal skill- based training improves the probability of both getting a job as well as earning high level of income. BMET and some other organizations conduct occupation specific skill-enhancing training for the migrants across the country. However, apart from the mandatory three-days long training program for the migrants arranged at different TTC under

the supervision of BMET, a small percentage of total migrants seem to go abroad with having occupational training. As is seen from the table approximately 84 per cent of both first time and second time migrants do not receive any training before their departure (Table 6.7).

Table 6.7: Participation of Training before Going Abroad

Training before Going Abroad	For 1st Time Going (in Percentage)	For 2nd Time Going (in Percentage)
Trained Migrants	16.33	17.14
Untrained Migrants	83.67	82.86

Source: Survey, 2024

6.4.E. Pre-migration Training on Financial Issues

Earning and sending remittance to the family members is the prime consideration for the workers going abroad. So, having a reasonable degree of financial education/literacy is a pre-requisite for the migrant workers to optimize their financial well-being. Awareness about banking products and services, mobile financial services, channels of official remittance, disadvantages of using Hundi in sending remittance thus matter much for the well-being of the remitters and their family members. Status of migrants about the training they are endowed with financial issues is shown in Table-6.8 for the first time and second time migrants. A striking difference is observed between the first time and second time expatriates in acquired training relating to different financial services with second time migrants are well ahead of the first-time goers in receiving almost all types of financial service-related training. Only 39 percent of the respondents received banking service-related training although most of the second time migrant workers (86 percent) have got such kind of training. Even in this age of digital financial services, majority of the migrants do not have capability in using mobile financial services for sending remittance. Quite surprisingly, very few migrants, in fact none of the first-time movers, have ideas about the pitfall of sending money through hundi.

Table 6.8: Pre-migration Training on Financial Matters

Areas of Training	For 1st Time Going (in Percentage)	For 2nd Time Going (in Percentage)
Banking Services	38.78	85.71
Types of Savings Products	16.33	42.86
Demerits of Hundi	0	14.29
Mobile Financial Service	26.53	34.29
Way of Sending Money to Home	10.20	17.14
Others	8.16	2.86

Source: Survey, 2024

Section 7: Issues and Suggested Measures

In line with the objectives of the study the paper came out with a number of issues and related suggestions based on the FGDs, questionnaires and round table discussions that are placed below:

7.A. Financial Initiatives

7.A.1. Having a Bank Account before Leaving the Country

A substantial portion of migrant workers do not have any bank account in their own name or in the name of any of their family members, indicating that they are going abroad without any financial literacy as well as experiences in banking transactions. As a result, they are shied away to do further transactions in banks and send money through the formal channels. It compels them to send money through the informal channels like hundi.

Suggested Measures

It is required to enhance financial inclusion activities through investing more money in awareness programs regarding the importance of having a bank account before leaving the country. MoEWOE, BMET and BOESL in collaboration with banks can run this awareness programs. Authority may consider to announce a week as a Remittance Week/ Banking Week/ Financial inclusion week when banks and FIs will pay maximum attention to bring more unbanked people under the banking services.

7.A.2. Saving and Investment Products for Migrant Workers

Migrants save more in the home country when they find appropriate deposit schemes are in place with appropriate financial and non-financial benefits, financial health and soundness of the banks as well as banking sector are also their prime considerations. Savings in bank account by a migrant and creation of his/her assets are closely related. These have an effect in reducing poverty also. It is worth mentioning that migrants primarily send money necessary for consummation, child education and health care. The remaining portion of their income they incline to remit when they find appropriate saving and investment instruments are available; otherwise, they prefer to park their saving in the host countries.

Suggested Measures

A good number of deposit/ investment schemes with attractive features are being offered by banks. With a view getting knowledge about these schemes and having quick and easy access to this information by migrants and his/her family members, an arrangement can be made to place and disclose all information of savings and investments in a place like website of MoEWOE's and BMET instead of placing these features sporadically in individual bank's website. Further, in addition to pay attractive interest/ benefits, banks may contemplate to offer some non-financial services for saving money in banks like providing smart and health card, appreciation certificate, assistance in submitting tax return, etc. Banks may take initiative to design new products similar to pension schemes, investment instruments like green bond, sukuk bond or plain vanilla bond, mutual funds and investment linked deposit products to entice more foreign remittances. Opening scope to deposit in OBU is a good step in this respect.

7.A.3. Bank Loans

Workers seeking employment or already in work abroad may need money for three reasons like paying costs for going abroad, covering household costs till getting settlement and starting income, and financing self-employment opportunities for the returnee migrants. It is found that they manage to pay these costs either from their own income or by selling their

own assets but they have less preference to take loans. Even though migrants happen to take loan, they choose to take loans from NGOs and family members whereas taking loan from banks is their least priority. This is happening because migrants may not get easy access to bank's loan schemes. Lack of collateral, failure to collect required documents and eligible guarantor, absence of credit history, lack of required cooperation from unskilled and semi-skilled migrants, existence of income instability and risk of migration, absence of online platforms for verification of remitters' paper and signature and difficult to reach borrowers abroad in case of default are the major barriers to bankers for providing loan to migrants.

Suggestive Measures

Bankers may take measures like involving Union Parishad Chairman, Principal/ Headmaster of colleges/ schools or influential relatives in lending process like share cropper financing²² in Bangladesh; creating online network by Ministry of Labor and Employment or/and Ministry of Expatriates Welfare and Overseas Employment or/and authorized recruitment agencies for collecting certificates; arranging linkage financing through NGOs; designing appropriate loan products with offering a suitable grace period and conducting appropriate awareness programs at home and abroad. To address the guarantee, need of remitters, Bangladesh Bank may launch a Credit Guarantee Scheme to encourage Banks and Non-Bank Financial Institutions (NBFIs) to provide loans to them group under refinance/ pre-finance schemes. Moreover, it is worth mentioning that hassle free and timely disbursement of loan is required to be ensured on the top. Digital lending such as "Nano Lending" (by using internet banking, mobile apps, mobile financial services), or e-wallet can be a pathway in this respect. Particularly, Probashi Kalyan Bank (PKB) can set an example by offering technology based innovative loan products.

²² Under sharecropper financing, banks can give loans to farmers depending on certificate given by Chairman, principal/headmaster or landlord in place of taking security or guarantee.

7.A.4. Government Incentives

The cost of getting required documents before leaving the home country, i.e., passport, health certificate, visa, and travel ticket (plane fair) varies considerably as cost of all those depend on the alternative route and urgency of the migrants in receiving the documents. Apart from inconveniences or difficulties faced by the prospective expatriates in having these documents, costs that will have to borne by the migrants at different phases in migration process together are worrisome especially for the unskilled or semi-skilled workers which sometimes increases the pre-migration period and costs.

Suggestive Measures

Considering the national interest, incentive structure before migration is equally important as is after the migration takes place. Even a nominal type and amount of monetary and non-monetary assistance extended to the migrants by the Government will certainly enhance the belongingness and sense of responsibility of the migrants to the home country that might have some positive impact on the willingness to go abroad as well as on formal inward remittance flow. So, the Government might think to give conditional privilege to the migrants through issuing passport and some other travel related documents at concessional ate.

7.A.5. Illegal Channels and Sending Money through Utilizing APPs

The volume of remittance coming through unofficial channels is anybody's guess. So, substantial amounts of key foreign currencies are available in the shadow market for illicit capital outflows and financing of illegal trading activities. Hundi business operators take undue advantage through their door-to-door or person-to-person informal and wide network. Curtailing illegal capital inflows is imperative and should be an urgent policy concern.

Suggestive Measures

Banks and exchange houses in host countries should have migrant workers install apps on their mobile phones, through which they can send money electronically as and when they want. In Bangladesh, a few banks of Bangladesh have taken this initiative requiring massive campaign about the

necessity to open bank account in the host country and utilizing apps for sending money among the Bangladeshi migrants as well as their family members staying in Bangladesh. In this respect, making the on-boarding process simple and assuring them that it is secured will be essential to converting people to digital services.

7.B. Non-Financial Initiatives

7.B.1. Absence of Well thought Planning with a Prefixed Job

A well thought out plan with having a certain job is necessary before someone migrates for job outside of the country. A substantial portion of Bangladeshi workers especially unskilled manpower go abroad without any planning as well as a prefixed job which delay the migrants to start earning, forcing them to cost more months to cover their migrations costs, failing to send money back home to their loved ones, and are more likely to become victims of frauds.

Suggested Measures

A best-laid plan is required to have of each migrant with willingness to be flexible. A good plan is a pathway to escape from deprivation and vulnerability and, in some cases, to fulfill aspirations for a better life. An aspired migrant can plan regarding desired profession/ job, time to migrate, host country, expected earning amount and estimated amount of costs well ahead of going abroad. This plan will be helpful for potential migrants to take necessary degrees/diploma/ trainings from the Institutes/ colleges/ universities, accumulate funds to cover costs and prepare documents necessary to go abroad like passport and others gradually. BMET, TTC and PKB can jointly go for more campaigning programs in this respect.

7.B.2. Less Effectiveness of Pre-Departure Training (PDT) program

Equipping prospective migrants through Pre-Departure Training (PDT) program with the comprehensive knowledge about their rights, responsibilities and working conditions in the destination country is keenly important to benefit significantly from labor migration and remittance

inflows. BMET with its more than 100 TTC offers PDT to huge number of migrants. However, it is observed that participants of PDT do not take it seriously, resulting in they are often migrating being completely unknown aforesaid issues. Duration of PDT programs along with contains of syllabus, qualified instructors and training methods have the further scope to be improved or revisited. This consists of eight modules, yet it is only accessible to individuals who are physically present onsite.

Suggested Measures

Providing comprehensive knowledge about the information upon arrival, specifically regarding employment conditions, contractual rights, grievance mechanisms and avenues for seeking compensation is a must to safeguard the well-being and protect the fundamental rights of migrants. In this perspective, BMET may appoint more qualified and experienced instructors especially language instructors offering incentives, training, and other facilities making long-term standing at TTC. They may redesign the PDT program separately for unskilled, semi-skilled, and skilled migrants by keeping more duration and modules and providing the option to deliver online and offline or blending both. For example, the Philippines impart this training with 7 modules online and offline. Further, it is worth suggesting that BMET may engage more private sector organizations and Non-Governmental Organizations (NGOs) in offering PDT even in remote areas of the country.

7.B.3. BMET's Skill Development Programs

Bangladesh is deprived to get the desired amount of remittance despite sending well over a million migrants abroad last year, simply because four out of five of them were less skilled. RMMRU's 2022 Migration Trends Report, the percentage of less skilled workers who migrated abroad rose to 78.64 percent last year from 75.24 percent the year before (The Daily Star, February 14, 2023). BMET offers a bunch of skill development programs such as skill training, housekeeping, APP Based training, language training, driving and digitalized certification. However, potential migrants may not be knowing the availability, name of relevant Institutes and benefits of these skill development programs.

Suggested measures

BMET in collaboration with TTC and other vocational training academies need to run more awareness programs about availability and benefits of running skill development programs and may offer more skill development programs with the conceptual and practical sessions covering the future requirements of the host countries. A research project can be undertaken to measure the types and demands of skill manpower in GGC, EU and other regions. Bangladeshi mission abroad can contribute in this respect by searching potential markets to send Bangladeshi skilled workers as well as finding out the new job places/ recruiters of skilled manpower in the existing markets which are done by countries like Philippines, Indonesia and India. In developing module for training and education programs, technology and language proficiency are required to get more priority. Starting from home care to agriculture, industry and office everywhere, requirement of technology knowledge is a must. Many host countries are gradually prioritizing to absorb their own manpower and intending to recruit expatriates who have technological know-how. For example, Saudi Arabia has already started a program where at least 20 per cent of Saudi citizens will work in the factory. To cope up with this situation, each migrant has to need to equip with the technology knowledge. Notably, any person intended to go abroad may complete these skill development programs any time even much before going abroad.

7.B.4. BOESL Activities to Foreign Employers

BOESL works on the mission to provide ‘Right Person to Right Job’ and send migrants on ‘No profit and No Loss’ basis. They have sent a good number of people to abroad like garment workers and others.

Suggestive Measure

BOESL may push forward aforesaid initiatives in a larger way. In this respect, BOESL may create a strong platform where recruiters across the world can know the availability of skilled, semi-skilled and unskilled manpower in Bangladesh so that Foreign Governments, companies and

individuals can place the job hiring advertisements in that platform. On the other hand, migrants can check job openings, suitability of jobs and accordingly they can apply for job in that platform. For example, The Chronicle of Higher Education has created a website called “<https://jobs.chronicle.com>”, a meeting place of both job providers and job seekers worldwide. Further, BOESL may arrange as well as participate online and offline job fairs in the prospective job markets, initiate to do more Government to Government (GTG) agreements with the host countries and enhance communication with foreign missions of Bangladesh.

7.B.5. Problems of Financial Literacy

The study found that around 60 percent Bangladeshi migrant workers have the education below SSC level, revealing absence of their financial knowledge. Similarly, their family members have lacking of financial knowledge. The lack of financial knowledge of expatriates and their family members put them in a position where migrants have fondness to send money through Hundi always available on their door step for meeting short term needs of their family like foods, health care, house rent and kids’ education. Further, Bangladeshis living abroad illegally who do not comply with the legal requirements to send money home and, as such, hundi is the only way for them to do transactions. Because of rising use of hundi, potential benefits of remittances like strengthening country’s foreign currency reserve at the macro level along with sustainable income, remittance management and wealth creation at individual level were not happened in the country at the desired level. Hence, a migrant is necessary to have financial knowledge on types, benefits and features of saving and loan services available in banks, Government bonds, shares, mutual funds and other saving and investment instruments in order to avail loan facility and making investment plan. Along with, acquaintance with the process and benefits of sending money through legal channel, knowing the curses of sending money through illegal channels and possessing minimum know-how of doing financial transactions are also essential for them to avoid possible precarious financial accidents in future.

Suggested Measures

At present, BMET's Pre-Departure Training (PDT), a mandatory 3-day program training program, has only one academic session on the financial knowledge titled 'Remittance, Investment and Economic Reintegration' for 60 minutes which is clearly inadequate in terms of contents of learning as well as duration and methods of training. With a view to effectiveness of this training, BMET may keep at least four academic sessions at least for one day covering financial knowledge on saving, loan and investment services available in banks and financial institutions, processes of sending money to home country and negativity of hundi. Further, The Bangladesh Technical Education Board may redesign their curriculum by including sufficient knowledge on financial issues in their syllabus. Government of Bangladesh may arrange training or awareness program about financial literacy, financial and nonfinancial facilities like information of suitable jobs in different countries, cost, loan facilities from banks etc. to the family members of the remitters at the district level. For this purpose, database for districtwide remitters, number returning remitter with current status (living or died) will be needed to help banks and other financial institutions to offer banking/financial product, investment opportunity like education/ housing/ business loan to the family members of remitters. This information can also be disseminated and promoted during the "World Migration Day" where booths from different remittance stakeholders like bank, health clinics, Probashi kollayan Ministry, airways, travel agents, BAIRA with brochures will be available.

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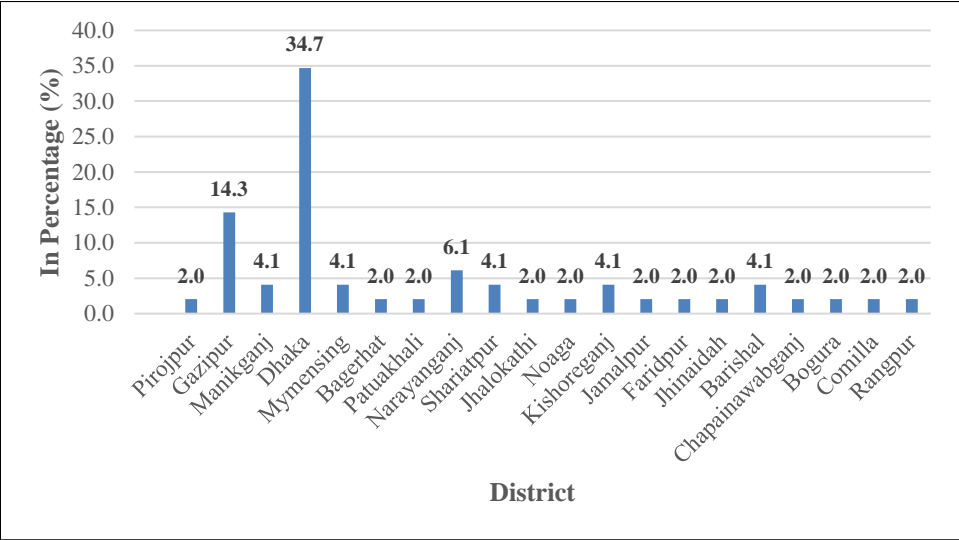
Annexures

Table 1: Demographic Profile of Respondents

Variables	Category	Workers migrated to foreign for 1 st Time (%)	Workers migrated to foreign for 2nd Time (%)
Gender	Male	84	74.29
	Female	16	25.71
Age:	18-25 years	24.5	17.1
	26-35 years	55.1	42.9
	36-45 years	18.4	31.4
	46-55 years	2	8.6
	55+ years	0	0
Education:	Illiterate	4.1	8.6
	Below SSC	55.1	57.1
	SSC	26.5	17.1
	HSC	8.2	14.3
	Honors	4.1	2.9
	Masters and Above	2	0
Previous Profession:	Garments Worker	28.6	17.1
	Service	14.3	42.9
	Business	6.1	2.9
	Shop Keeper	12.2	5.7
	Farmer	4.1	8.6
	Mechanic	6.1	0
	Day Laborer	2	11.4
	Entrepreneur	2	0
	Network Engineer	2	0
	Driver	4.1	0
	Student	6.1	8.6
	Unemployed	12.2	2.9
Family Members in number:	2 Persons	4.1	0
	3 Persons	10.2	2.9
	4 Persons	26.5	28.6
	5 Persons	20.4	25.7
	6 Persons	16.3	25.7
	6+ Persons	22.4	17.1
Dependent Family Members:	0 Person	8.2	0
	1 Person	0	0
	2 Persons	24.5	22.9
	3 Persons	14.3	20.0
	4 Persons	18.4	25.7
	5 Persons	24.5	20.0
	6 Persons	6.1	2.9
	6+ Persons	4.1	8.6

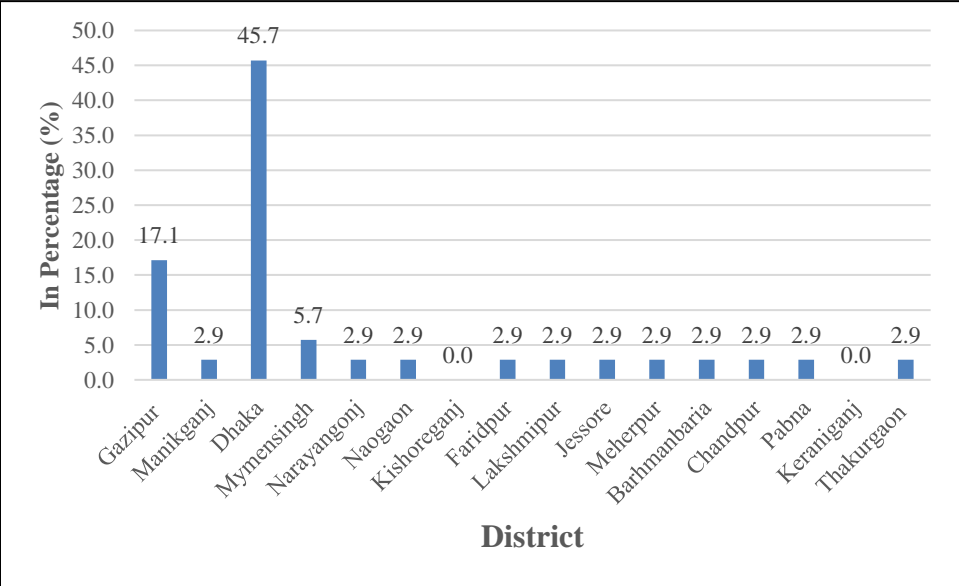
Source: Survey, 2024

Figure 1: Home District of Respondents (First Time)



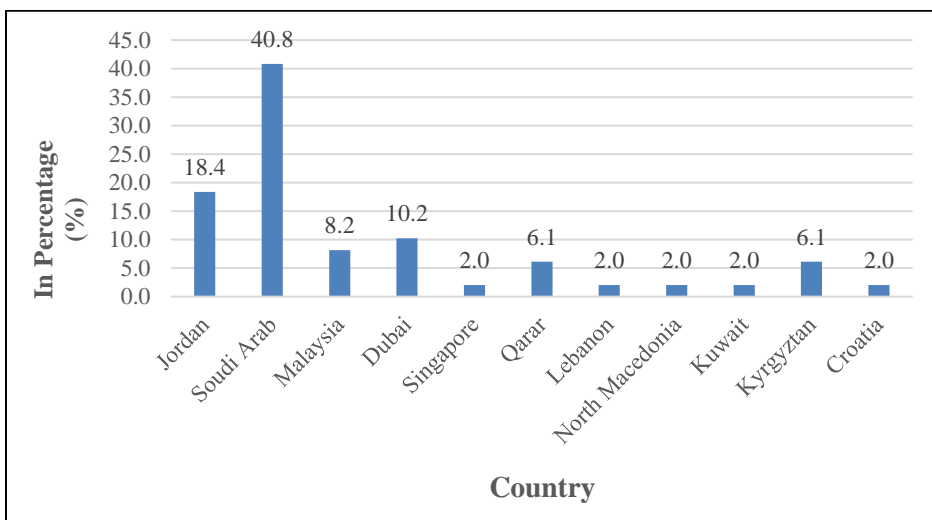
Source: Survey, 2024

Figure 2: Home District of Respondents (Second Time)



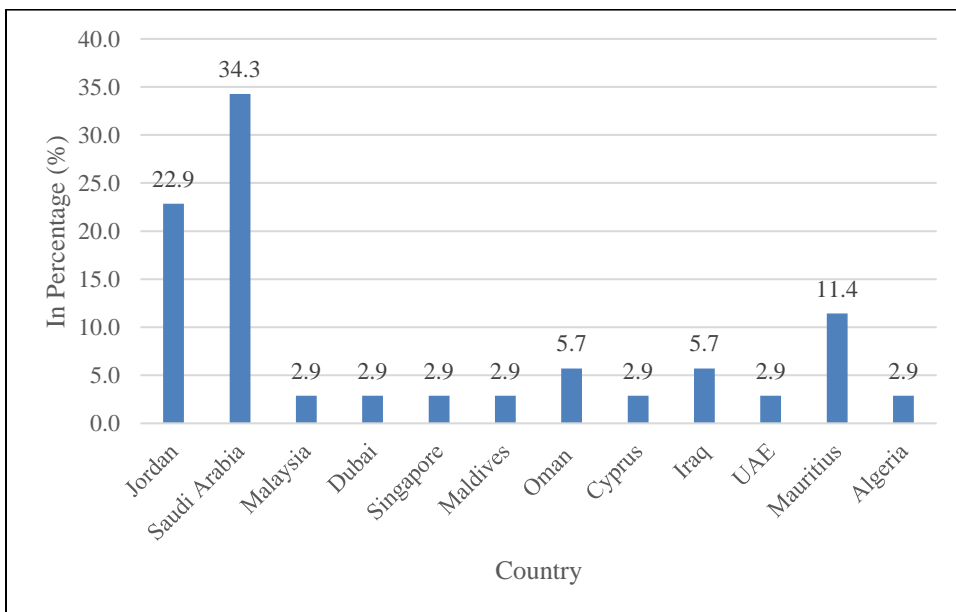
Source: Survey, 2024

Figure 3: Destination Country (First Time)



Source: Survey, 2024

Figure 4: Destination Country (Second Time)



Source: Survey, 2024

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