

Boost remittances by ensuring migrant rights and welfare



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Last-minute document checking before leaving behind familiar faces for distant opportunities.

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According to the Bureau of Manpower, Employment, and Training (BMET), more than 15 million Bangladeshis have gone abroad on work visas in the last 50 years, with 75 percent in six GCC countries: Saudi Arabia, United Arab Emirates, Qatar, Kuwait, Oman, and Bahrain. Other notable destinations include Malaysia, Singapore, Brunei, Jordan, Lebanon, Italy, and South Korea. Remittances mainly come from these countries.

Meanwhile, the diaspora and non-resident Bangladeshis in various countries, including the UK, US, Canada, Australia, Germany, and France, are Bangladesh's

top remittance-sending countries.

According to Bangladesh Bank, the USA has become the leading country for remittances sent to Bangladesh, overtaking the UAE. While Saudi Arabia has historically been the largest source of remittances, it has now dropped to third place, despite still having the highest number of Bangladeshi workers. However, many of these workers are currently struggling to find employment there. Other key countries for remittances to Bangladesh include Malaysia, the UK, Oman, Kuwait, Italy, Qatar, and Singapore.

The World Bank reports that Bangladesh ranks as the sixth-largest labour-sending

country and the seventh-largest recipient of remittances.

ADDRESSING CHALLENGES TO BOOST REMITTANCES

No doubt, remittances are now a key pillar of Bangladesh's economy. If we look back in history, Bangladesh was the second poorest country in 1971. Over the last five decades, we have become one of the fastest-growing economies, where remittances are vital.

But despite the vast contributions, are Bangladeshi migrants receiving the respect they deserve? The answer is a resounding no. Instead, they are exploited at home and abroad. A bit of welfare for migrants and ensuring their rights could increase remittances even more.

One major issue is the prevalence of informal remittance channels like "hundi." Many migrants use these channels due to higher exchange rates and convenience, despite a 2.5 percent government cash incentive for legal remittances. To solve this problem and receive remittances through legal channels, the government and the central bank should focus on solutions for faster, safer, and cheaper legal options for sending remittances. The government should also adopt policies to promote a competitive, innovative, and affordable remittance market.

Governments can encourage banking institutions, money transfer operators, and other relevant financial institutions to expand their operations and presence, particularly in Middle Eastern countries, which could make a significant difference.

The rise of digital technology presents a promising opportunity to attract more remittances. Digital communication tools, such as websites, mobile apps, social media, and other platforms, can be utilised to raise awareness and promote remittances through legal channels. Additionally, MFS platforms are facilitating remittance flows, which can be further expedited.

As the USA is now the top remittance-sending country, Bangladesh will arrange a two-day '4th Bangladesh Remittance Fair 2025' in New York on April 19-20 to increase remittance flow from the USA to Bangladesh under the slogan "Legal Remittance, Better Bangladesh."

Bangladeshi migrants still send remittances through informal channels, attracted by higher exchange rates and

convenience, even though the government offers a 2.5 percent cash incentive. Such fairs can help increase remittances. Similar events can be arranged in Saudi Arabia, the UAE, Malaysia, and other countries.

Many migrants and their family members lack access to banking services. Therefore, in the pre-departure stages, migrants should open two bank accounts—one for their savings and one for their families' spending, which could also improve remittance utilisation. Financial literacy and remittance management training for migrants at the pre-departure stage can also play an important role. However, banking services should be made easier, and exchange rates should be adjusted to encourage more remittances.

Another issue is the use of remittances. Various studies suggest that remittances are not used productively. Therefore, the government should encourage migrants to participate in savings or investment schemes while working abroad, which can help them secure a financial cushion upon returning. Banks can also develop new saving products alongside investment opportunities.

Overall, we need to ensure good governance in the migration sector. As part of this, we should focus on sending skilled workers, as a large portion of Bangladeshi migrants are unskilled and cannot send as much remittance. For example, one million people went to Saudi Arabia in the last four years, but the remittance has decreased by almost two billion. Therefore, the government should find new markets and focus on sending more skilled workers abroad.

Bangladesh's migration governance is also poor and needs massive reforms to be converted into good governance. The government should take more initiatives to honour and recognise migrant workers and the diaspora. But above all, we must ensure the rights, dignity, and welfare of migrants. We must understand that migrants are not money-making machines; they are human beings who deserve dignity and better care. By addressing their challenges and fostering an environment of care, the government can boost remittances and honour these unsung heroes' immense contributions to Bangladesh.

