

Rethinking Migration

Role of Microenterprises in Bangladesh

ANIR CHOWDHURY, HASANUZZAMAN

The challenge of regulating and streamlining the process of migration is being tackled by the use of internet-based registration of migrants and government-to-government coordination in Bangladesh. The authors outline the approach and potential of a new programme in Bangladesh that is providing migration-related information services to migrants, improving their ability to make decisions about migration and thereby making them less vulnerable to the risks of international migration.

The authors are solely responsible for the views expressed in this article.

Anir Chowdhury is Policy Advisor and Hasanuzzaman (hasanuzzaman@azi.pmo.gov.bd) is Policy Associate, Access to Information, UNDP Bangladesh.

In recent times, Bangladesh attracted renewed attention when global economists revealed that its economy might overtake western countries by 2050 (*The Guardian*, *Forbes* and others). Bangladesh was placed under the “Next 11” and “Global Growth Generating” groups, indicating its emerging prominence as a developing country with untapped potential in the global market. It is known that the economy of Bangladesh has been rapidly integrating with the global economy as a result of increased trade liberalisation, pursued through various economic and trade policy reforms executed from the mid-1980s and throughout the 1990s. Today, Bangladesh’s emergence is directly attributed to the buoyant growth in remittances being sent by temporary migrant workers, which has not only financially empowered the poor migrant workers’ families at home, but at the same time enabled Bangladesh to maintain a stable economic growth rate of 5% to 6% alongside a robust balance of payments for quite some time now.

In addition, whilst the external sector, comprising exports, imports and inflows of foreign aid, foreign direct investment (FDI), and remittances, accounted for barely over 20% of the gross domestic product (GDP) in the 1980s and 1990s, it almost tripled to 60% by 2012. The share of official development assistance (ODA)

in GDP declined from 4% in 1991 to 2% in 2012. Trade in goods and services constituted less than 10% of GDP in the 1980s and 1990s but, today, it accounts for 30% of GDP. What is worth noting here is that ODA, which was significantly higher than remittance two to three decades ago, has been overtaken by the latter by nearly five times. This perpetuates the growing irrelevance of ODA while simultaneously eroding its capacity to generate better development outcomes.

Remittance inflows today dwarf both ODA as well as FDI inflows in Bangladesh. The lion’s share of overseas migrant workers is accounted for by the semi-skilled and less-skilled categories. Bangladesh is an exporter of professional, skilled, semi-skilled and less-skilled workers to more than 22 countries around the world. The first two categories are generally the better-off citizens, who often prefer permanent migration due to the nature of employment in high-income groups, whilst the remaining groups constitute migrants from poor families, with little or no education. It is to be pointed out here that temporary migrant workers prefer to move to neighbouring countries, particularly in west Asia (Saudi Arabia and the UAE), and also Malaysia, in view of their close religious affiliation with Bangladesh.

It is estimated that from 2000 to 2012, more than five million citizens of Bangladesh migrated to different parts of the world, and of these, semi-skilled and less-skilled altogether accounted for nearly 70% of the total outflow. It should be borne in mind that this category of workers remains working-class migrants,

mostly of the non-permanent variety, who generally leave behind major financial obligations at home.

Migration and Bangladesh

It is to be highlighted here that Bangladesh is the first Asian nation of the Colombo Process to start a specialised bank for its migrant workers. The Prabashi Kalyan Bank (PKB) or Expatriate Welfare Bank, established in 2010, is in operation. It provides financial services to potential overseas migrant workers and also to those working abroad. Additionally, there are laws and policies aimed at protecting the welfare of overseas migrant workers. The new Migration and Overseas Employment Act enacted in 2011 aspires to govern migration by ensuring migrant rights. It empowers a migrant to file a civil as well as a criminal case against misconduct of a recruiting agency if the concerned government official fails to file a case within the set period. Earlier, the Overseas Employment Policy was enacted in 2006 with the aim of ensuring the rights for Bangladeshi

migrants to choose quality employment without any constraints. Thus, in view of the available legal framework and the institutional set-up, coupled with the significance of remittances in the Bangladesh economy, it became important for the government to explore ways to ensure a safe and secured migration process for semi-skilled and less-skilled workers seeking work abroad.

In spite of the dominance of exploitative and rent-seeking middlemen in the temporary migration process, it remains attractive for those excluded to participate in income-earning activities. A decision to move from one country to the other by a low-income, less-literate individual can be attributed to his/her state of poor cognitive abilities to comprehend the uncertainties and risks associated with the migration process. This is a form of exclusion from common knowledge, which can be described as general information pertaining to employment opportunities, education and health services, and any other public provisions associated with social welfare.

As a result of the aforesaid entitlement failure, individuals opt for other opportunities to safeguard their livelihoods such as unsafe migration. These temporary migrant workers live in conditions of great austerity in the country of destination, where their primary goal is to remit home as much of their earnings as they can, after meeting their own subsistence needs. The reason is that they have a financial stake back home. As argued by organisations advocating safe migration, much more can be done to reduce the transaction costs of the migration process, so as to enhance the earning potential of migrants, negotiate more favourable terms of their employment abroad, look after them whilst they are at work and finally, ensure a more cost-effective and eventually more productive way to manage their home-ward remittances.

Bangladesh and Malaysia

The agreement between the governments of Bangladesh and Malaysia is the first of its kind that formally seeks

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This scheme has the following highlights:

- (i) Up to 50 PhD scholars will be given access to the India Time Series every year
- (ii) Access will be to students outside the ICSSR institutes
- (iii) PhD scholars can request access to any 5 of the modules of their choice which are given below and EPWRF will provide on-line access for a period of one year.

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(iv) Price Indices	(xi) Annual Survey of Industries
(v) Agricultural Statistics	(xii) External Sector
(vi) Power Sector	(xiii) Finances of the Government of India
(vii) Industrial Production	

In order to assist in the processing of applications the scholar should state his/her research area. The **application form can be downloaded from our website and may be processed through your research guide/department**. For further details about the modules the prospective applicant can access a demo version by a simple free registration. Please visit our website www.epwrfits.in.

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to promote movement of natural persons at the track-I, government-to-government (G2G) level. Against this backdrop, it is very inspirational to see the innovative role played by private actors at the lowest tier of the governance structure. The Union Information Service Centres (UISCs), established across 4,516 unions in Bangladesh under the principle of public-private-partnership (PPP), are an example epitomising one of the key priorities of the good-governance agenda, with regard to efficient public service delivery.

The UISCs can be conceived as microenterprises (MEs), providing many public and private services to those at the bottom of the pyramid, which range from offering download options for government and visa forms, livelihood information, English learning courses under the purview of the British Council, and other types of internet services. It has, most fundamentally, brought pertinent information relating to livelihoods for the poor to their doorsteps. In some cases these MEs are being used as agents for mobile financial services.¹ It is estimated that four million citizens receive services from MEs per month and this has contributed towards revenue earnings of entrepreneurs at Bangladeshi Taka (BDT) 20 million. In addition, as part of the capacity-building initiatives, 12,000 youths were trained from UISCs where the Bangladesh Technical Education Board (BTEB) provided certificates to participants.

The UISCs made the first ever hassle-free online registration for Bangladeshi migrant workers to Malaysia. As far as knowledge dictates, this is the first digital migration in the world. The role of the UISCs cuts across both the horizontal (G2G) and vertical (government-to-citizen) dimensions of e-governance. This has, at the least, eliminated one of the sources of structural injustice, i.e., asymmetry of information, which excludes the poor from entitlements. In addition, the online registration process has been divided in a way that eliminates the high costs associated with the migration process. It is known that the poor suffer despite being entitled to participate in such opportunities

due to high transportation, accommodation costs, alongside other contingent liabilities.

There was no restriction on registration, making the entire process democratic by conception and design. The selection of workers from each union was done under a quota system, based on a demographic map. The seven divisions of the country completed the registration process by January 2013, where only 516 UISCs failed to participate in this landmark event. The Access to Information (a2i), a United Nations Development Programme (UNDP) funded programme located at the prime minister's Office (PMO), was made responsible for the coordination, monitoring and implementation of the online registration process. Earlier (7 and 8 January 2013), the a2i provided training to 817 officers that included Upazila Nirbahi Officers (UNO) and Assistant Programmers of Bangladesh Computer Council (BCC). These capacity-building exercises were designed as "trainings for trainers", aimed at turning officers into master trainers, whose acquired skills would be put to the test when they impart training to the 9,000 entrepreneurs of MEs.

A call centre and a control room were set up at the PMO, run by a team of a2i members. The control room monitored and coordinated the online registration work by providing prompt feedback to the UISCs entrepreneurs (supply-side), and the prospective migrant workers (demand-side). It thus played a vital role in ensuring a seamless registration process for the jobseekers to Malaysia. Internet connectivity remains a key barrier for ensuring uninterrupted connectivity for a developing country like Bangladesh, but this did not deter the entire process. A total of 1.4 million jobseekers from Dhaka, Rangpur, Khulna, Chittagong, Rajshahi, Sylhet and Barisal divisions registered through the MEs and it was reported at the time of writing this article that 200 have already migrated to Malaysia. In addition, online registration process for female workers seeking employment in Hong Kong and Bahrain (recorded at 30,000) has also been completed under the G2G arrangement through the MEs.

Upscaling the G2G Model

Will UISCs be able to manage the entire migration process that could, on the one hand, translate envisaged provisions of welfare and security under the Overseas Employment Policy 2006; and, on the other promote knowledge transfer through South-South cooperation in the agriculture sector? The MEs could play a dual role in facilitating the vision of seamless and safe migration and at the same time serve as outlets for delivering remittances. Without doubt, such MEs are playing a new role that ought to get recognition and support for its innovation in delivering migration-related services to those living in remote rural areas. One can hope that by 2021, the UISC's role in the rural Bangladesh context would consolidate e-culture, steering relations between the government, and citizens at the bottom of the pyramid.

Indeed, there is a lot that can be done by both the private and public sectors to not only increase the remittance inflows to Bangladesh, but also ensure a safe migration process for temporary migrant workers. Proactive efforts, therefore, could encourage the continued inflow of remittances through official channels, where investment would be rational and profitable. The exploration of the feasibility and design of such institutions as the UISCs, which serve and protect migrants workers' interests, should be accommodated in the developmental agendas of the international community. It is recognised that more information and research are needed to understand the operational, financial and regulatory structures of UISCs if such PPP-based entities are to assume a greater role in leveraging the significance of remittances in terms of delivering sustained developmental outcomes. More importantly, such an exercise remains relevant from the perspective of promoting a financially sound, and safe migration process that would eliminate the intermediaries.

NOTE

¹ It is reported that branchless banking is in operation in 650 UISCs.