

# Policy Brief

## Why the Government should introduce a Social Protection Scheme for Vulnerable Returned Women Migrant Workers



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### Migrants' Contribution to National Development Vs. Government's Investment

Labour migration is significant for the economy of Bangladesh for many reasons. Almost a quarter of job seekers who enter the country's labour market every year are employed through migration overseas. In 2018, 734,181 Bangladesh migrant workers travelled abroad. Of them, 13.85% were women. During the same year, Bangladesh migrant workers sent \$15.54 billion in remittances, more than the annual average in the last 10 years. The constant flow of migrants' remittances plays a significant role in increasing the Bangladesh central bank's foreign currency reserve. Bangladesh earns 3.3 times more from net foreign exchange through migration compared to that from the readymade garments and 7 times more than foreign aid. In addition to remittances, migrant workers boost the country's revenue through the fees paid for employment clearance (\$2.21 million in 2018) and their contributions to the Wage Earners Welfare Board (\$30.95 million in 2018).

Despite the obvious contribution to the country's economy, the government of Bangladesh has invested little in the protection and welfare of migrant workers. The budgetary allocation for the Ministry of Expatriate Welfare and Overseas Employment (MoEWOE) was the third lowest of all government ministries in FY 2018-19. Furthermore, the MoEWOE allocated only 0.088% of its total budget that year for development programmes. In any case, these programmes rarely directly benefit the welfare of migrant workers and their families which is primarily supported through assistance from the Wage Earners' Welfare Fund.

### The Reality of Life for Migrant Workers

Bangladeshi migrant workers pay extremely high migration fees; OKUP research shows that 76% take out loans for migration, and many others are forced to resort to selling land. The lack of safe and orderly recruitment practices as well as adequate protection and welfare services abroad, result in thousands of migrant workers becoming victims of trafficking, abuse, exploitation, and other rights violations. Many return empty-handed with broken dreams, or with critical illnesses and psychological trauma. Some returnees must sell their land to repay debts which puts them in even further economic hardship.

Women migrant workers face even greater challenges as, upon return, they are often abandoned by their husbands or their physical and mental illnesses remain untreated due to lack of financial resources. This leaves them highly vulnerable with little or no support network in a society which tends to further persecute victims causing their situation to increasingly deteriorate. According to media reports, in 2018, 5,000 women returned home from Saudi Arabia alone as victims of abuse and exploitation. Interventions to assist these women migrants to reintegrate into their family and society were rare, and many reported facing social stigma and discrimination upon return.

If there is no measure to protect migrant workers including women, it is almost inevitable that Bangladesh will face a real social and financial burden in the near future.

*Salma, 27, went to Saudi Arabia in November 2018 for domestic work. She took a loan to pay the middleman who forged a document with Salma's signature confirming that she would pay compensation if she returned before the end of the two-year contract period. Upon arrival, Salma was regularly sexually abused by her employer. She managed to escape and return to Bangladesh within a month however, when she did so, the middleman pressurised her into paying compensation. Her previous employer, the local spinning mill, refused to give Salma her job back. Now, with two children and a sick husband, Salma and her family have been forced to move into the home of her poor mother.*

### The case for including migrant workers, especially women, in Social Protection and Safety Net Programmes in Bangladesh

The Bangladesh government has a wide range of social protection and safety net programmes, which in 2018 reached more than 7.4 million people. The coverage of these programmes has expanded gradually each year as budgetary allocations and numbers of beneficiaries have increased, and new vulnerable groups are included (such as

transgender people, wounded and sick freedom fighters and their families, tea plantation workers, and those in the haor wetland areas).

Currently migrant workers, including women, are not covered in the social protection and safety net programmes. It is vital that these programmes are extended to include Bangladeshi migrant workers, especially women, for a number of reasons:

- Firstly, the government has committed to ensure social protection through ratification of international documents including the Global Compact on Migration (Objective 21 (h)) and the Commission on the Status of Women, Sixty Third Session (CSW63) (Point u. P13-14).
- Secondly, there is a global commitment to safeguard the rights and interests of migrant workers in line with SDG 8.8.
- Thirdly, the numbers of migrant workers are increasing, with more women migrating to existing and new destination countries.
- Finally, migrant workers make substantial financial contributions to the national economy through remittances and social benefits.

Other migrant sending countries provide social security schemes for its migrant workers both at home and abroad. For example, the Philippines provides social security coverage to its workers abroad through voluntary insurance with the Social Security System (SSS), the Supplementary Pension System (SSS Flexi-Fund), and the Philippine Health Insurance Corporation (PhilHealth). The Flexi-fund is a provident fund type of scheme featuring flexible payment terms and easy withdrawal of savings. It is a tax-exempt savings and pension plan designed to encourage Overseas Philippines Workers to increase their income. Any amount contributed in excess of the maximum contribution of \$ 26.97 to the regular SSS programme, goes to the worker's individual account. Upon his/her return to the Philippines, the worker has the option to withdraw any amount from the cumulated balance to finance a variety of needs. Or, the member can use the amount to supplement his/her retirement or disability benefits - in lump sum, pension, or combination of both. The money accumulated in the Flexi-fund is invested solely in fixed income instruments. Interest rates are repriced on a quarterly basis based on average 91-day Treasury Bill rates. Schemes such as those in the Philippines can provide key learning for the development of such initiatives in Bangladesh.

## **Recommendations for Inclusion of Migrant Workers in the Government's Social Protection and Social Safety Net Programmes**

- ⇒ The Government must include 2% of annual remittances sent by migrant workers for the protection and welfare of returned migrant workers and their families.
- ⇒ The government must include returnee migrant workers, especially women, in the National Social Safety Net Programmes (NSSPs) from FY 2019-2020, and therefore, allocate necessary budget. Like other vulnerable groups covered in the NSSPs, returnee migrant workers require a monthly allowance (similar to living wage) for the first few months upon arrival as they may be victims of abuse and exploitation and/or suffering from critical illnesses and difficulties reintegrating in society. The government must introduce an online automatic system for selection, database and electronic fund transfer to make the process transparent and effective.
- ⇒ The government must provide social security coverage and universal pension scheme to Bangladeshis working abroad. Whilst the government has already undertaken steps to prepare a National Social Security System (NSSS) which includes universal social protection and a pension scheme, the government must ensure that migrant workers and their families are included in the NSSS and the proposed universal pension scheme by integrating a dedicated component for them.

*Under the European Instrument for Democracy and Human Rights (EIDHR), OKUP has been implementing a project entitled "Empowerment of women and girl migrant workers, communities and key institutions to protect and promote migrant workers' rights and access to justice". One of the actions of this project is to carry out evidence-based advocacy with policy makers and key government officials to improve the safeguarding of women migrant workers. This publication is prepared under the project and will be used for policy and advocacy purposes. The contents of this publication are the sole responsibility of OKUP as implementing partner and can in no way be taken to reflect the views of the European Union.*



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