

Institutional Capacity Building for Management of the Wage Earners' Welfare Fund (WEWF)

Summary

The Government of Bangladesh (GoB) established the 'Wage Earners Welfare Fund' (WEWF) in 1990 to assist and extend welfare services to migrant workers and members of their families. Under its Asserting Migrants' Rights (AMR) project, Refugee and Migratory Movements Research Unit (RMMRU) conducted an assessment of the strengths and challenges of the Government's WEWF programme. This policy brief also draws on the observations made by participants in a dialogue on the "Management of Wage Earners' Welfare Fund" organized on 27 June 2015 in Dhaka by RMMRU and the Manusher Jonno Foundation (MJF). The assessment found that this fund has enabled the concerned ministry and the line agency to provide some important welfare services to the migrants and their families. However, there is ample scope for using this fund for direct benefit of the target group.



Discussants at the dialogue on Wage Earners' Welfare Fund, June 2015

Background

In 2015, a total of 5,55,881 workers left Bangladesh for overseas employment. Approximately 81 percent of them were male and 19 percent female. During that year, Bangladesh received USD15.31 billion in remittances from migrant workers. The GoB established the WEF in 1990 to extend welfare services to those migrant workers who may lose jobs untimely or under complicated circumstances, whose employers do not fulfill the condition of employment, who are suffering from serious illnesses and are in need of treatment, who have become shelter-less due to lack of necessary documents and for those penniless workers who cannot return home.

Wage Earners' Welfare Fund has been recognised by global community as an important innovation of Bangladesh in the field of migration. Some South Asian countries later have replicated this concept.

Selim Reza
Director General
BMET

The WEF Ordinance 1990 has identified several goals with regard to migrants, including the setting up of a hostel-cum-briefing centre; providing orientation and briefing to outbound workers; setting up welfare desks at airports; bringing back bodies of deceased migrants; facilitating return of disabled, ailing, and stranded Bangladeshi migrants; providing support to families of deceased migrants; providing legal assistance to migrants through missions; and setting up clubs and information centres for Bangladeshis under the auspices of the missions. To implement this fund, a set of rules was framed in 2002. The Rules further elaborated the functions of the Board. Among other things the rule incorporated financing of hospitals, housing, and income-generating projects for the migrants and their family members. It also added a clause which accords discretionary authority to the Board to finance any activity that it deems appropriate.

Funding Sources and Structure of the WEF Board

This fund is generated through a mandatory contribution of departing migrants and a percentage of consular fees received by Bangladesh missions

abroad, the interest generated from the deposits of recruiting agents and fees charged by the Bangladesh missions for attestation of demands and work permits. Until 2012 migrants were charged Taka 1,000 per head if their visas were cleared by BMET under a group and Taka 1500 if the visa was obtained through individual contacts. From 2013 till the beginning of 2015 the amounts were raised to Taka 2000 and Taka 2500 respectively. From 2015 the different rate for group and individual visa no longer exists. All migrants are charged Taka 3500.

The Board is chaired by the Secretary of the Ministry of Expatriates' Welfare and Overseas Employment. The members of the Board include the Director General of BMET; the joint secretaries of the Ministry of EWOE; the legislative and parliamentary division of the Ministry of Law; the Ministry of Civil Aviation and Tourism; the Ministry of Home Affairs; Banking and Institutional Division of the Ministry of Finance; the Director General of the Ministry of Foreign Affairs; the Director (Welfare) of BMET, the concerned Executive Director of the Bangladesh Bank; and the President or representative of the Bangladesh Association of International Recruiting Agencies (BAIRA).

Migrants Welfare and the Fund

Since its establishment in 1990, through creation of WEF, the GoB has successfully generated a large resource pool for providing welfare to the migrants. Based on the number of workers who migrated each year and were charged at the above rates from 2004 to 2016 an amount of Taka 10,308,105,424 should have been generated for the fund. If we add contributions from other sources, there would be substantial increase of the amount.

From 2009 until September 2015, Tk. 2,217,185,209¹ was disbursed to the families of migrants who died in different countries of destination. During the same period, the Fund was used to bring back 19,280 dead bodies, and for this purpose Tk. 483,828,000² was spent.

In the same year, it supported 57 disabled and sick workers, which cost Tk 7,506,338. Pre-departure briefings are an important area where resources under

¹GoB (2015), Ministry of Expatriates' Welfare and Overseas Employment, Souvenir, International Migrants' Day 18 December, 2015, MoEWOE, Dhaka, Page 66.

²GoB (2015), Page 67



WEWF is spent. In these seven years, it has trained 160,171 workers on customs, laws, weather-conditions, language, rights and obligations in the countries of destinations.³ Another important programme under WEWF is stipends for the children of migrants. From 2012 to 2015, it spent Tk. 12,341,000 on this head.⁴

DEMO's role in securing compensation

Tangail District Employment and Manpower Office (DEMO) received information from RMMRU's partner organization RPDO that Mr. Selim Mia (28), son of Mr. Thandu Mia of Dakkhin Para, Pakulla village, Silimpur Union of Tangail district had died in a road accident in Saudi Arabia. The DEMO also came to know that the family of Thandu Mia was about to pay Tk. 60,000 to a local agent to bring back the body of the deceased. In this situation the DEMO suggested the family to provide it with the succession certificate, after which they registered a claim for compensation. The DEMO office took prompt measures to secure the due compensation, and finally the family of Mr. Selim Mia received Tk. 22 lac as compensation.

Education institutions have been established in Abu Dhabi, Oman, Bahrain and Saudi Arabia with the support of this fund. This is for those migrants who are staying abroad for a longer period of time and whose children are with them. The MoEWOE 2015 document informs that the fund is also spent on providing legal aid services to detained workers and in maintaining safe homes in Saudi Arabia. However, no amount of expenditure under these head has been cited. In order to curb the fraudulent practices, and also reduce migration cost, the Ministry has undertaken a programme for online registration for recruitment. It has spent Tk. 30 crore for the database project. The Ministry provides a smart card to all departing migrants, which includes relevant information of the migrants such as work permit,

³GoB, 2015, Page 68

⁴Gob, 2015, Page 69

clearance etc. In this project it has spent Tk. 17 crore.

The other important areas where funds are distributed are the maintenance of migrant welfare desks at the airports, the construction of hostel complexes, and the purchase and maintenance of equipment such as air-coolers, generators, computers, photocopiers and fax machines. The Fund was used for the renovation of Ministry offices; the purchase, maintenance and fuel costs of Ministry vehicles; as well as missions abroad. As much as Tk. 87 crore was spent on the Migrant Welfare Building (which currently houses the Ministry), and Tk. 70 crore for the Bhatara housing project. The fund is also used to finance overseas trips of senior functionaries who are exploring labour markets. (Tarin: 2015).

In general, we the government functionaries pro-actively try to help migrants or their families in receiving compensation. It is our bad luck that in many of the cases, families cannot produce necessary papers and as a result it takes a long time.

Nurun Akter

Director of Wage Earners' Welfare Board
Ministry of EWOE

In 2011, the Probashi Kallyan Bank (PKB) was established to provide loans at low interest rates to potential migrant workers. The aim of the bank was also to provide re-integration loans for the returnee migrants and the family members of current migrants.

The bank was established with Tk. 100 crore. Of the total amount only 5 crore came from the government exchequer. The rest Tk. 95 crore was taken from the WEWF. In fiscal year 2015-2016, 7,747 migrants received loan from this bank. The total amount it disbursed was Tk. 441,900,000. In the same period, 11 returnee migrants received Tk. 7,300,000 as reintegration loan.

In late 2015 the Parliamentary Standing Committee of the relevant ministry recommended the



transfer of additional Tk. 300 crore from WEWF to PKB.

The discussion above shows that the Ministry of Expatriates' Welfare and Overseas Employment has undertaken various steps to provide welfare assistance to the migrants. Some of the programmes are very innovative in nature. Migrants require all kinds of support and substantive resource allocation from the government exchequer. As it is difficult to receive allocation from the Government budget, the Ministry has attempted to ensure different services to the migrants through this WEWF. In the long run, however, it works as hindrance from acquiring justified allocation from government resources.

The discussion on migration governance is not adequate in the ten year Perspective Plan or seventh Five-Year Plan nor in the allocation for successive annual national budgets. If we look into the areas where major funding from this source is distributed, we can see that these areas should have been covered under development and/or the revenue budgets. Long-term allocations should have been discussed in all the stated policy documents. For example, spending Tk. 87 crore for migrants' welfare-building, vehicle purchase, maintenance and fuel cost of the ministry and foreign missions, and also air cooler, generator, fax machines, photocopier, computer purchases should not have been paid from the subscription of migrants workers. For that matter, creation of online database or providing smart card to the migrants should have been borne from government

budgets, and under no circumstances from the subscription of migrants.

Another important issue is the Parliamentary Standing Committee's recommendation to transfer Tk. 300 crore to PKB from WEWF. The founding principle of PKB was that payment of this initial Taka 95 crore is a one-time payment and in future the bank would generate its paid up capital from other sources instead of WEWF. No evaluation was conducted on the performance of PKB. The recommendation of parliamentary standing committee to transfer Taka 300 crore seems like an impractical investment.

If the target was to provide loans to the potential migrants then it could have been done through channeling a section of this resource through existing banks. The huge expenditure that was incurred in establishing the PKB is not economically viable. Even after this, if the government deemed establishing a bank for migrants as a necessity, it should have done so from its own resources.

Some of the areas where this fund is being utilized are not justified. We all know that the subscriptions are paid by short-term, contract migrant workers. Opening a school for the children of long-term migrants may be a very good initiative, but using resources of the WEWF in this respect is not justified. Labour migrants are mostly from rural areas and the type of income they generate in the majority cases is not enough to purchase housing plots or flats in



Family members of deceased migrants providing testimonies on WEWF



nearby areas of Dhaka. It is unfortunate that a huge sum of money has been spent on one such project in Bhatara which has now stalled.

Various programmes need to be undertaken to provide assistance to migrants in the destination countries. Twenty per cent of the Bangladeshi migrant force is now women. To provide protection to the female migrant workers, shelter-home is needed in different provinces or states of the destination countries. Substantive funding allocation is required for providing legal assistance and interpreter services to those who are detained in the camps and jails of destination countries. Allocation to embassies for bringing back deceased bodies is currently very small. Enhanced resources need to be allocated to these areas. Information is also not available on how the migrant's families are selected for providing stipend to the students. The money that has been spent on compensation, medical treatment, and burials are the avenues which directly go to the migrants.

Recommendations

- The provision that the WEWB can take any project with resources from this fund, which it deems appropriate, should be omitted from the Rules of WEWF. If such provision has to be retained then it has to be qualified that the amount should not exceed more than 5 per cent of the annual expenditure made from the Fund.
- An assessment of PKB's performance is required.
- In order to ensure protection of female migrant workers adequate number of shelter homes should be established in different locations of receiving countries. Along with government resources funds from WEWF can be used for this purpose.
- Representation of migrant workers and civil society bodies who work on migrant rights should be ensured in the WEWB.
- External audits should be conducted on use of the Wage Earners' Welfare Fund annually.
- The salaries of the WEWB employees should not be sourced from the Fund.

▪ Psycho-therapy and rehabilitation services through trauma centers and medical service centers should be established for returnee migrants who become victims of torture and abuse while serving in destination countries.

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The cheque of compensation received by family members of an injured migrant



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