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International Labour Organization

Reinforcing ties

Enhancing contributions from Bangladeshi diaspora members



ILO Country Office for Bangladesh

Reinforcing ties

Enhancing contributions from Bangladeshi diaspora members

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Foreword

Transnational movement of labour, knowledge, and cultures have a historical trajectory. Yet discussions about such movements are usually centred only on immigration policies and numbers. While it is acknowledged that diasporas inform host countries about the priorities of their countries of origin, investigations into how they enrich host or adopted communities and countries remain scant. Often seen by their origin countries as ambassadors who bring informative analysis of on-the-ground realities and share success stories of the progress taking place and the challenges being faced, diaspora members are not necessarily seen as such by their adopted country.

This study highlights contributions of the Bangladeshi diaspora to their host or adopted countries and simultaneously delves into reasons that should make Bangladesh seek diaspora engagement in critical issues impacting Bangladesh.

It is often argued that growing migration is a brain drain and a damaging factor for Bangladesh. This study suggests that the "brain drain" factor is not yet a significant issue in the country. The study also points out that this small portion of professionals who have migrated from Bangladesh has also been making extraordinary contributions in the development of information communication technology in Bangladesh and are bringing some life-changing innovations to their home country.

The study also presents the eagerness of Bangladeshi diaspora members to be a part of the progress that has been seen all across Bangladesh. It gives examples that show that diaspora members are returning to become entrepreneurs, scientists, health care professionals, and educators. Such experiences suggest that potential "brain-drain" is being offset by a "brain gain" and that diaspora members are helping in building an educated and skilled Bangladeshi workforce. The study confirms that Bangladeshi diaspora professionals are playing a vital role in bringing Bangladesh into a knowledge-based global economy.

A Swiss Agency for Development and Cooperation (SDC) commissioned research paper, titled "Putting policy coherence for development into perspective", brings out the prevailing discourses on the positive and negative impacts of brain-drain on skills in countries of origin. It points to arguments that the number of skilled workers who depart from countries of origin is typically smaller than the number of people who decide to gain skills through being inspired by these skilled migrants, leading to human capital gain for the origin country. By this logic, a country like Bangladesh, where the percentage of skilled workers within the total outflow of migrating workers is on the lower side of the scale, the country stands to gain from migration. Assumedly, remittance is likely to be the incentive for higher investment in skills, leading to an increase in the supply of semi-skilled and skilled workers for the domestic economy, a supply that will be further bolstered by return migration, which brings in new and improved skills, technology, and knowledge learned overseas.

The International Labour Organization and the SDC take this opportunity to note with appreciation the efforts of Zafar Ahmed Khan (PhD), who was the Secretary to the Ministry of Expatriate Welfare and Overseas Employment when this study was completed; Hazarat Ali, who is the Additional Secretary to the Ministry; and Begum Shamsun Nahar, who is the Director-General of the Bureau of Manpower Employment, and Training, all of whom have worked to step up the efforts to reach out to Bangladeshi migrant workers.



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This study report reiterates the point that diaspora members act as the unofficial ambassadors of their country of origin. This research was conducted in the framework of the project Promoting Decent Work through Improved Migration Policy and its Application in Bangladesh as a joint initiative of the International Labour Organization (ILO) and the Ministry of Expatriates' Welfare and Overseas Employment (MEWOE). The project is financially assisted by the Swiss Agency for Development and Cooperation (SDC). The Government of the People's Republic of Bangladesh is appreciative of cooperation received from the ILO and the SDC to enhance knowledge about labour migration issues.

The interest and commitment to qualitative elements of labour migration as shown by the Honourable Minister of Expatriates' Welfare and Overseas Employment, Engineer Khandker Mosharraf Hossain (MP), and the enthusiasm of Zafar Ahmed Khan (PhD), the Secretary to the Ministry, were instrumental in planning of this study. The MEWOE and the Bureau of Manpower Employment and Training would like to extend our appreciation to the study team leader, Abul Barkat (PhD), and the team members, namely, Asmar Osman and Subhash Kumar Sen Gupta, for their hard work. Our appreciation is also due to the in-house staff members of the Human Development Research Centre (HDRC) who supported their study team throughout.

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This report makes a point that the Bangladeshi diasporas retain a high level of dedication to their country of origin. This is matched by the government commitment to engage the Bangladeshi diaspora in taking forward recommendations put forward in the study.



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Summary

Key issues

There is no standard definition of a diaspora or who constitutes a diaspora member. The provisions of the ILO Migration for Employment Convention (Revised), 1949 (No. 97), ILO Recommendation No. 86, ILO Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) and Recommendation No. 151 state issues related to the length of stay of migrant workers. But in general, these instruments do not make distinctions between workers who have migrated for permanent settlement and those who have migrated for short-term or even seasonal work. Therefore, all migrant workers qualify as individual members of the conceptual "communities" abroad, or diasporas, as they are held together by a common identity derived from their Bangladeshi origin and a collective social or cultural relationship with Bangladesh, irrespective of the time they have been away from their country of origin. For the purpose of this study, the contributions of only long-term members of the diaspora are taken into account. These long-term members of the diaspora include those who have taken on the citizenship of another country or are of Bangladeshi ancestry but were born and raised outside Bangladesh. Henceforth, the terms "diaspora" or "diaspora members" will only refer to such long-term migrants and their descendants.

There is no accurate data about the number and destination countries of Bangladeshi diaspora members. However, it is evident that migrants from Bangladesh who settle permanently abroad are inclined to live in the United States and European countries (mostly, in the United Kingdom). A study by the Government of Bangladesh and the International Organization for Migration (IOM) conducted in 2004 attempted to collate information from informed sources having first-hand knowledge on these long-term migrants. The number of long-term Bangladeshi migrants was estimated at about 1.2 million, with 500,000 residing in the United Kingdom and 500,000 living in the United States (MEWOE & IOM, 2004).

Bangladeshi diaspora members are now playing a major role in some host countries. As an example, they are a crucial actor in the United Kingdom regarding the socio-economic as well as political development of that country. Third or even fourth generation Bangladeshi diaspora members in the United Kingdom are on their way to establishing themselves in the mainstream of the British economy and political sphere. They are playing as significant role in the United States as well.

Despite the lack of concrete data, it is often argued that diaspora members remit significantly less money to Bangladesh compared to temporary migrant workers. However, a simple calculation can nullify this idea. It is evident that the major destinations for Bangladeshi diaspora members are the United Kingdom and the United States. From key informants it has been estimated that in those countries there are approximately 1,000,000 Bangladeshi diaspora members; which represents about 12 per cent of the total number of Bangladeshi migrant workers who have gone overseas since 1976. If one examines the official data of remittance flows to Bangladesh over the last decade (FY2002/03 to FY2011/12), then it is found that 21.5 per cent of total remittance over that period came from these two countries only. If we only take the remittance data for FY2011/12, then it is also evident that 19.4 per cent of total remittance came from the United States and the United Kingdom only. So diaspora members, who represent just 12 per cent of the total migrant population, are contributing about 20 per cent of the total remittance. Thus, it can be concluded that Bangladeshi diaspora members provide a significant direct contribution to the economic development of Bangladesh.

It is often argued that so-called "brain drain" has been a damaging factor for Bangladesh. But this study finds that the brain drain factor has insignificant impact on remittance flow. Besides, "social remittance" has been an integral part of the contribution of Bangladesh diaspora members to Bangladesh. The changing world scenario with extraordinary development in communication technologies have played role in ensuring professionals' proactive role for the development of Bangladesh. These, all together, have been playing a role in offsetting the brain drain and to some extent enabling a "brain gain" instead.

In spite of uncongenial business climate in Bangladesh, Bangladeshi diaspora members are also investing in productive sectors of the country. Returning diaspora members have made significant contributions in the development of Bangladesh in various sectors. Bangladeshi diaspora members are playing a dedicated role in mobilizing technology in their homeland for the sake of the country's overall socio-economic development. These initiatives of should be acknowledged accordingly.

It is widely argued that the huge amount of remittance sent to Bangladesh is not utilized in the most efficient manner to gain the expected economic return for the overall development of the country. However, when Bangladeshi diaspora members want to invest in Bangladesh they face an uncongenial business climate in Bangladesh. The investment climate issues faced by diaspora members should be taken as a priority issue to solve.

The government has taken initiatives to utilize remittances as productive investments in the Bangladesh economy. One of the major initiatives is debt instruments called Wage Earners' Development Bonds, which are specifically for overseas Bangladeshis. Though the return on these bonds is much more lucrative compared to other bonds in the international market, the popularity of these bonds is not yet satisfactory among Bangladeshi diaspora members. The major reason for the unsatisfactory sale of the bonds is a lack of knowledge about the bonds and their facilities among overseas Bangladeshis. To promote the bonds, appropriate measures need to be taken immediately. The Investment Corporation of Bangladesh (ICB)

has also initiated the Bangladesh Fund, a mutual fund of securities on the bourses of Bangladesh that was hoped would secure investment from Bangladeshis overseas. But the fund has not found popularity among Bangladeshi diaspora members, and therefore this needs to be scrutinized as well.

Banks for non-resident Bangladeshis (NRBs) have been approved by Bangladesh Bank and one of the approved banks – NRB Commercial Bank – has in April 2013. The bank was set up by 53 non-resident Bangladeshis from eight countries, and with its foray into the country's banking system, NRB Bank became the first of its kind in the private sector. This type of innovative approaches needs to be expedited, with suitable facilities and an attractive business climate, which are seriously lagging in Bangladesh.

The right to vote abroad offers diaspora members access to the home country's political decisions and in some cases to have their specific interests represented. In-depth interviews with Bangladeshi diaspora members by the research team have found that they have a willingness to cast their votes. There is a provision for postal voting too, but, due to resource constraints, this process is not being expedited by the relevant government authorities. In addition, a recent reform by the Election Commission stipulates that in order to vote the person has to be present in the country during voter registration, making it more difficult to vote abroad. All these issues need to be taken into serious consideration by policy-makers if highest level of development initiative by the Bangladeshi diaspora is sought.

The granting of dual nationality is a significant measure adopted by home countries to formalize the sense of belonging of their diasporas to their native land, both in a symbolic and a concrete way. The issue of dual nationality bears many political facets and is dependent on the regulations in both the home and the host countries, but home and host countries are aware of the numerous implications of dual nationality on diaspora contributions to development. A number of Bangladeshi diaspora members informed that the process of getting a Dual Nationality certificate is not easy at all. The process is difficult, troublesome, and time consuming. As part of going through this process, the giving of bribes to officials is also a common phenomenon.

Recommendations

Policy initiatives:
The core areas for work are as follows:

- Defining diaspora considering the patterns and nature of migration, the behavior of Bangladeshi migrants as well as that of people of Bangladeshi descent born overseas, and the characteristics of resource-mobilization in Bangladesh.
- Recognizing and acknowledging the contribution of Bangladeshi diaspora members in policy strategies.
- The policy strategies should be designed with the overall developmental objectives and strategies of Bangladesh in mind, particularly the needs and philosophy of Sixth Five Year Plan and Vision 2021.
- Systematic and synergic policy initiatives would be crucial for fostering constructive diaspora effects on the development of Bangladesh. Not only must migration policies be coherently included in a development strategy, but other policies (e.g., those related to remittance, skill development, entrepreneurship development in the industrial sector, women's development, information communication technology, etc.) need to take migration issues into account.

Regarding the sending of remittances by Bangladeshi diaspora members:

- **Awareness-building activities:** For creating awareness regarding the sending of remittances through official channels, the following methods could be administered: (a) road shows; (b) publishing of advertisements in local dailies overseas; and (c) television commercials on Bangladeshi satellite television channels that are viewed overseas.

- **Facilities at the airports in Bangladesh:** Priority basis facilities could be provided to Bangladeshi diaspora members at the airport depending upon them showing official documentation of having sent remittance through formal channels and/or having investments in Bangladesh. Incentives can be varied in terms of the made contribution to Bangladesh, but minimum facilities need to be ensured to all diaspora members. Certification of Important Bangladeshi diaspora could be instrumental in this regard.

- **Revenue gain through tourism by Bangladeshi diaspora members in Bangladesh:** Diaspora tourism is likely to have a developmental impact. In some countries, a major portion of revenue from tourism comes from diaspora members (e.g., 70 per cent of the tourists arriving in Haiti are Haitian-born or of Haitian origin). Through proper advertisements, Bangladeshi diaspora members (especially second generation Bangladeshi diaspora) could be attracted to visit Bangladesh as tourists. In this regard, the Ministry of Civil Aviation and Tourism, particularly the Bangladesh Parjatan Corporation, needs to work actively on attracting such diaspora visitors.

Regarding productive investments by Bangladeshi diaspora members:

- **Facilitation of business and trade networks:** Bangladeshi diaspora members can contribute to national development by facilitating business and trade networks between Bangladesh and their host countries. The Ministry of Commerce and trade bodies of Bangladesh (including bilateral trade bodies) need to be incorporated actively in this process. It is argued that the presence of a diaspora is often associated with higher bilateral trade flows. It is of note that the most direct form of a diaspora business network is when the diaspora itself is a prime market for the exports of home country goods (popularly termed “ethnic trade” or “nostalgia trade”). It is also of note that if Bangladeshi exporters are successful in exploiting the diaspora market, they can move beyond to other markets. Bangladeshi diaspora members represent a major export market allowing the diversification of home country exports.

- **Promoting business ventures in Bangladesh:** It has been found that the attitude of Board of Investment officials is not investor friendly, and the process is very time consuming. Thus, it is difficult to attract investment money from Bangladeshi diaspora members. This issue needs to be taken into consideration.

- **Promoting bonds for non-resident Bangladeshis, including diaspora members:** To promote Bangladeshi bonds, the following measures are recommended:

    (a) road shows;

    (b) publishing of advertisements in local dailies overseas;

    (c) television commercials on Bangladeshi satellite television channels that are viewed overseas; and

(d) the commercial banks now enjoy a profitable percentage on the total sales of the bonds (earlier, it was only a fixed amount on the sale of each bond). Still the banks are not particularly interested in selling these government bonds; rather, they prefer to promote their own products. This being the case, the government could persuade as well as enforce (in the form of fixing a sales target) the commercial banks to promote these instruments. Promotion of advantages of the Sovereign Bonds vis-à-vis other bonds is likely to attract investors.

- **Incorporating the Bangladeshi diaspora in development activities in Bangladesh:** Every dollar sent by a Bangladeshi diaspora member for local development project(s) in Bangladesh initiated and managed by the local government authority could be matched by the Government of Bangladesh. Such initiatives will create opportunities for diaspora members to contribute to the local development of the area they come from and help maintain their ties with their country of origin.

Regarding utilization of the Bangladeshi diaspora knowledge network:

Bangladeshi diaspora members can serve as "brain banks" abroad. When properly organized, a diaspora can become a "source of knowledge sharing and technology transfer with their home country" (UNCTAD, 2012, p. 106). A number of efforts to establish Bangladeshi diaspora knowledge networks have not been successful in creating synergies with other initiatives or ensuring continuity. The multiplication of initiatives and the lack of coordination among them result in the dispersion of resources. Active coordination needs to be ensured. Embassies of Bangladesh abroad and associations of Bangladeshis abroad need to work in a coordinated process in this regard.

Bangladeshi diaspora knowledge networks, if organized properly, could play major role in linking local research capacity and local systems of production with global knowledge and production systems.

Others:

- **Making Bangladesh missions/labour wings accountable*:*** The migrant workers often complain about officials at Bangladeshi missions. Foreign missions and labour attachés must perform their roles with commitment and diligence to increase contributions from Bangladeshi diaspora members for the development of Bangladesh.
- **Database and website:** Registration of Bangladeshi nationals by the foreign missions needs to be initiated and database of registered nationals updated regularly. This is indeed a rigorous task, but needs to be started with best possible efforts and commitment. This initiative should be backed up by promotion of social and professional networking among diaspora members.
- **Dual nationality:** The process of getting a Dual Nationality certificate is difficult, troublesome and time consuming, making it difficult for diaspora members to forge stronger ties to Bangladesh. There are also legal debates on the dual nationality issues in Bangladesh. These issues require attention and solutions to enhance the contribution from the Bangladeshi diaspora.

- **Voting rights of Bangladeshi diaspora members:** Bangladeshi diaspora members are willing to cast their votes and the provision for postal voting exists. But, due to resource constraints, this process is not being expedited by the relevant government authorities. In addition, a recent reform by the Election Commission stipulates that in order to vote the person has to be present in the country during the voters' registration, making it more difficult to vote abroad. All these issues need to be taken into serious consideration by policy-makers.

- **Engagement of famous/notable Bangladeshis as "goodwill/country ambassadors":** The Bangladesh government can engage a number of prominent Bangladeshis (artists, successful entrepreneurs, scientists, etc.) to serve as "goodwill/country ambassadors" who are well placed to seek out investment, especially investment in socio-economic development, transfers of knowledge, and philanthropic opportunities from the Bangladeshi diaspora. These ambassadors can also motivate the diaspora members to extend their support role in assisting temporary migrant workers (both documented and undocumented).

List of acronyms and abbreviations

BDT	Bangladeshi taka [currency]
BMET	Bureau of Manpower, Employment and Training
CIP	Commercially Important Person
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FY	Fiscal Year
ICB	Investment Corporation of Bangladesh
ILO	International Labour Organization
IOM	International Organization for Migration
JBFH	Japan Bangladesh Friendship Hospital
KSA	Kingdom of Saudi Arabia
NFCD	Non-resident Foreign Currency Deposit
NGO	Non-Government Organization
NITA	Non-Resident Investor's Taka Account
NRB	Non-Resident Bangladesh
UAE	United Arab Emirates
UK	United Kingdom
UN	The United Nations
UNCTAD	The United Nations Conference on Trade and Development
USA	United States of America

Statement from the Secretary

Globalization has not only meant increased movement of people, rather it also means more and more communication across distances. With the growth in small- and medium-scale enterprises, large-scale production in a variety of sectors, and demographic issues, Bangladesh has witnessed a growth in demand for workers. Migration patterns are now more complex and short-term, with repeated migration and return by the same worker. This increase in the number of workers migrating is also altering the traditional understanding of diaspora as being composed solely of the foreign-born or those permanently settled abroad.

Slowly but steadily, it is being recognized that even workers on temporary or short-term contracts become part of transnational communities. Their communication in these transnational communities keeps them connected to their household and friends. These communities provide a home away from home for short-term workers, give opportunities for social engagement, and serve as a support base for workers. These communities are also informal forums for exchanging information about the availability of jobs.

I would like to thank the International Labour Organization (ILO) for technical cooperation through the project Promoting Decent Work through Improved Migration Policy and its Application in Bangladesh. It is assisting us in enhancing the knowledge and understanding of issues related to labour migration.



Dr Zafar Ahmed Khan
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Government of the People's Republic of Bangladesh

Chapter 1

Introduction, study objectives, and methodology

1.1 Introduction

Migration literature inform around the world acknowledges the contributory role played by diaspora communities in poverty reduction in their home countries. Policy-makers and experts consulted unanimously agree that the impact of well-established diasporas on the emancipation of people in the home country from the grip of poverty.

The term "diaspora" conveys the idea of transnational populations who may live in one place but still maintain relations with their homelands (Ionescu, 2006). In Bangladesh, the term "diaspora" usually refers to long-term Bangladeshi expatriate populations abroad and people of Bangladeshi descent who are born abroad. For many, "diaspora" refers to persons outside their country of origin, covering diverse groups such as political refugees, migrant workers, ethnic and racial minorities and overseas communities (Wickramasekara, 2004).

A wider sentiment about diaspora members is captured by the by the Government of India that implies that the "persons of Indian origin" are members of the Indian diaspora that spans the globe and stretches across all the oceans and continents and who speak different languages and are engaged in different vocations but derive common identity from their Indian origin, their consciousness of their cultural heritage and their deep attachment to India (Indian Ministry of Foreign Affairs, 2001 as cited in Wickramasekara, 2004, p. 3). The African Union Executive Council puts forward the concept of a supra-diaspora or a diaspora that derives identity from the continent instead of a particular country: 'The African diaspora consists of peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union" (Wickramasekara, 2004, p. 3).

The provisions of the ILO Migration for Employment Convention (Revised), 1949 (No. 97), ILO Recommendation No. 86, ILO Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) and Recommendation No. 151 regarding the length of stay of migrant workers, in general, make no distinctions between workers who have migrated for permanent settlement and those who have migrated for short-term or even seasonal work.

The term "diaspora", for the purposes of this study, will refer to overseas "communities" comprised of persons who have taken citizenship of another country or were born and raised in another country. Focus on this category of diaspora members does not negate the conceptual framework of a community comprising of all persons abroad held together by a common identity derived from their Bangladeshi origin and a collective social or cultural relationship with Bangladesh, irrespective of the time they have been away from their country of origin.

Countries that have undergone large out-migrations, like Bangladesh, showcase an array of attitudes with regard to dealing with diaspora members, "from warmly embracing to coolly instrumental, from active engagement to indifference, from mobilization to hostility" (Newland & Patrick, 2004, p. 3). As a result the policies and practices of origin countries provide a reflection of such diverse views.

1.2 Study objectives

The objectives of this study are to:

1. improve information about the size and potential of the Bangladeshi diaspora to invest in Bangladesh and to analyze the facilitative and deterring elements of the current policy and institutional regime related to diaspora members;
2. offer savings and investment scenarios, describe options within each scenario of existing mediums/schemes available in the public and private sectors, identify new mediums for savings and investment in Bangladesh, and address gender-gaps which may be present;
3. present strategies for mobilizing diaspora members to save and invest in Bangladesh and for developing policies and programs involving securitization and the capital market; and
4. promote policy and regulatory options, institutional change, and client orientation.

1.3 Methodology

The study mostly used secondary information. In addition, primary data and information were collected through interviews using separate diagnostic tools for different groups of respondents. Quantitative data and qualitative information have been triangulated as per the needs of the study objectives. All research ethics and the anonymity of respondents/participants were ensured during primary data collection. Among all the countries of destination for Bangladeshi diaspora members, the research team focused mainly on the United Kingdom.

Major strategies, tools, and techniques used under this study are as follows:

National workshop: After stocktaking and in-depth review of the relevant literature[1], a day-long workshop was organized wherein various inputs came from the key stakeholders (i.e., relevant government officials, development practitioners, journalists, Bangladeshi diaspora members, etc.). The workshop was arranged at the initial phase of the study to formulate some guiding principles and operational strategies to implement.

Use of secondary data and information: As the study did not have scope for wide scale data collection or a large sample survey for primary data collection, it mostly used secondary data and information for analysis and estimation.[2]

In-depth interviews: Twenty-one in-depth interviews with Bangladeshi diaspora members in various countries were conducted by using email, speaking by telephone, and through in-person discussions. The respondents were selected through personal contacts of the researchers, information collected from organizations working on migrant issues, and journalists who cover migration-related issues. The respondents were from Canada, Germany, Italy, Portugal, the United Kingdom, and the United States. The average length of their stays overseas as permanent citizens is 16 years, with a stays ranging between 12 years and 31 years.

Field Visit: The research team visited the Sylhet district of Bangladesh and held discussions with local knowledgeable persons on the issue during mid-June 2013. The district of Sylhet was chosen for a field visit because a huge number of people originally from Sylhet are living in the United Kingdom as member of the diaspora.

Key informant interviews: A number of key informant interviews were conducted for the study. The major key informants interviewed were from the following groups: Bangladesh Bank, State-owned and private commercial banks, financial institutes handling wage earners' remittance, development partners of Bangladesh that work with relevant issues, and relevant journalists.

[1] Newspaper news, television programmes, web-based news portals were also used.

[2] During review it was found that there is lack of reliable data about diaspora issues for Bangladesh, which indicates scope for further large-scale survey-based studies on this ground.

Chapter 2

The **Bangladeshi** diaspora: The current scenario

Job openings in the Middle East and the establishment of an overseas recruitment system in the mid-1970s, flung the door open for Bangladeshi workers to head abroad for employment (Quader, 2012). Economic globalization in the 1980s and 1990s brought about a rise in the demand for migrant workers globally. This external demand opened up scope for a large number of Bangladeshis (mostly semi-skilled and less skilled) to go abroad as migrant workers. The migration of Bangladeshis took place owing to several pull factors (e.g., demand for labour, kinship with other Bangladeshis living abroad, etc.) and push factors (e.g., poverty, unemployment/under employment, lack of development in rural areas, etc.).

2.1 The Bangladeshi migration scenario at a glance

Labour migration from Bangladesh has been taking place since 1970s. Since the embryonic days of the migration of Bangladeshi workers for employment overseas, Middle Eastern countries have been the principal destinations. An analysis of the migration data for the last decade reveals that around four-fifths of all labour migration from Bangladesh was directed towards Middle Eastern countries. The majority of the migrants from Bangladesh workers headed to Saudi Arabia, the United Arab Emirates, Kuwait, Oman, Malaysia, and Singapore. Moreover, Bahrain, Qatar, Jordan, Lebanon, the Republic of Korea, Brunei, Mauritius, the United Kingdom, and Ireland are also prominent destinations for Bangladeshi migrant workers (see Table 2.1).

In recent years, a significant change has occurred in the labour migration patterns of Bangladeshis heading overseas for employment. In 2001, about 72 per cent of Bangladeshi migrant workers went to Saudi Arabia, but that rate had dropped to just 3 per cent in 2011. Conversely, in 2001 about 9 per cent of migrant workers headed to the United Arab Emirates, but that proportion had grown to 49 per cent in 2011. More strikingly, in 2001, only about 4 per cent of Bangladeshi migrant workers went to countries outside the Middle East, but 2011 that proportion had increased to 13 per cent.

A recent article from the Daily Ittefaq (2013b), a leading newspaper in Bangladesh, states that since the 1980s, migrant workers from Bangladesh have headed to East Asian countries, particularly Singapore and Malaysia. At the same time labour migration from Bangladesh also targeted countries in Africa, such as Libya and Sudan. Moreover, new markets have emerged in the Republic of Korea, Egypt, and Mauritius during the 1990s. In the new millennium, in some countries in Asia and Europe – including Britain, Italy, and Japan – demand for migrant workers from Bangladesh is on the rise. Currently, migrant workers from Bangladesh have headed to at least 100 countries around the world, including Iraq, Afghanistan, Thailand, Tunisia, Chili, and Peru.

2.2 The Bangladeshi diaspora

Table 2.1: Top destination countries for Bangladeshi migrants

Country	Stock (up to 2012)	% of total
Saudi Arabia	2 429 825	29.2
United Arab Emirates	2 211 586	26.6
Malaysia	700 622	8.4
Oman	642 681	7.7
Singapore	422 352	5.1
Kuwait	413 617	5
Bahrain	228 814	2.8
Qatar	167 807	2

Source: BMET website, http://www.bmet.gov.bd/BMET/viewStatReport.action?reportnumber=18 [accessed 10 Mar. 2013].

There is no accurate data about the number and destination of members of the Bangladeshi diaspora. Thus, assumptions are used to estimate the number of Bangladeshi diaspora members. The population census data of Bangladesh does not include information on this. The Bureau of Manpower Employment and Training (BMET) has the information about short-term migration, but does not have any mechanism to keep records of long-term migrants and/or diaspora members.

Data up through 2012 show that the major destination countries for Bangladeshi migrants have remained Middle Eastern countries. Data also demonstrate that the top eight destination countries for Bangladeshi migrants have taken on 87 per cent of all Bangladeshi migrant workers (see Table 2.1). Even so, there is little tendency and scope for Bangladeshis to become permanent residents in these countries, except for a limited number of permanent Bangladeshis in Malaysia and Singapore.

A study conducted in 2004 by the Ministry of Expatriates' Welfare and Overseas Employment (MEWOE) and the IOM attempted to collate information from informed sources who have first-hand knowledge about the Bangladeshi diaspora. The number of Bangladeshi diaspora members in selected countries was estimates as follows in Table 2.2:

Table 2.2: Estimated number of long-term Bangladeshi migrants in selected industrialized countries

Country	Number of long-term Bangladeshi migrants
United Kingdom	500 000
United States	500 000
Italy	70 000
Canada	35 000
Japan	22 000
Australia	15 000
Greece	11 000
Spain	7 000
Germany	5 000
South Africa	4 000
France	3 500
Netherlands	2 500
Belgium	2 000
Switzerland	1 400
Total	**1 178 400**

Source: MEWOE & IOM, 2004.

However, it should be noted that the above-mentioned study was not able to estimate the total number of Bangladeshi diaspora member living throughout the entire world in 2004, but rather focused on specific countries using key informants' knowledge.

2.3 Bangladeshi diaspora members in the United Kingdom[3]

Statistics indicate that from 1951 to 1971, the number of Bangladeshi diaspora members in the United Kingdom increased slowly. But after the independence of Bangladesh was achieved in 1971, the number of Bangladeshi diaspora members in Britain increased very rapidly. In 1981 the United Kingdom was home to 64,572 Bangladeshi diaspora members. By 1991 the number had more than doubled to 157,881, and by 2001 and the number of Bangladeshi diaspora members in the United Kingdom had grown to 275,250.

[3] The content of this section draws heavily from Ghulam Murshid's 2008 book *The call of the sea: History of Bangali in Britain.*

In the 1960s, only a very small number of families from Indian sub-continent emigrated to Britain. Bangladeshi diaspora members in the United Kingdom at this time generally did not travel there with their families, and were initially unwilling to bring their own families over for permanent settlement. Instead they helped secure the migration of relatives and people of their acquaintance as workers. These new diaspora members would eventually bring their families over later, and up until 1969 only 2 per cent of Bangladeshi diaspora members in Britain have been accompanied by their families.

But matters changed in 1971, a year that witnessed two important events that profoundly affected Bangladeshi migration to Britain. First, a strict immigration law was passed. And secondly, Bangladesh emerged an independent State. The new law prompted many Bangladeshi migrants already in Britain to scramble to bring their families over before the law took effect. Thus, in the 1970s, the number of Bangladeshis in the United Kingdom increased at a geometric progression, more than doubling by the dawn of the 1980s.

During this period, a cultural climate developed that helped enable Bangladeshis diaspora members to stay in Britain with a greater degree of comfort. For example, Bangladeshi food became easily available in Britain. Now, indian restaurants run by Bangladeshis are in every major city, including London, Birmingham, Manchester, and Edinburg. Opportunities to impart native and religious education increased. Moreover, as a result of increase in the number of Bangladeshi families, a homely atmosphere existed among them, that in turn, led to the formation of community bonds. The sheer number of Bangladeshis in Britain has enabled them to create cultural institutions recreating some of the feel of the homeland, and local media have served as a means of keeping culturally connected to Bangladesh and the rest of the Bangladeshi community in Britain. The installation of Bangla television channels in London is one noticeable feature. These channels broadcast cultural programmes. Moreover, Bangla newspapers and magazines are published on a regular basis in the United Kingdom.

As a whole, a miniature Bangladesh has flourished in the midst of London. A large number of Bangladeshis reside in the Tower Hamlet area. Anyone stepping onto Brick Lane in London will make notice that the street signs are in both Bangla and English. In brief, now Britain has largely become a comfortable place of residence for Bangladeshis, and this Bangladeshi hamlets, or paras, can be treated as an extension of Bangladesh.

From 28 October 2013, all adults in the 18 to 65 age range seeking citizenship or settlement in the United Kingdom will be required to pass an English-language test and a Life in the UK test, unless they have mental and physical conditions that severely affect their ability to learn (Government of the United Kingdom, 2013). This law has had an impact of the flow of diaspora members coming to Britain from Bangladesh. For one, there is much less scope for unskilled and illiterate labourers to migrate to Britain. However, the door of opportunity for skilled and expert workers to migrate into Britain is held open, as they can enter if they are equipped with proof of special aptitude and a work permit.

There was a time when Bangladeshi diaspora members, after earning money in the destination country, would return back to their homeland. But now they stay abroad. What are the reasons?

A probe into the issue of Bangladeshi immigration to Britain reveals that a few decades ago, a person who migrated to Britain for schooling, upon receiving an education from a British institution, would go back to their homeland and get a quality job. From discussions with a range of people, it seems that social reintegration of a person who spent several years in Britain was more difficult than professional

reintegration. But in the last three decades, situation has changed, and it is no longer easy to find employment with a foreign degree.

Bangladeshis started settling permanently in Britain about 150 years ago. But in spite of their being in Britain for so many years, a significant number of Bangladeshis generally did not integrate into the communities where they settled. But from the 2001 census and other surveys conducted later on, one can see some important changes in the socio-cultural status of Bangladeshis in Britain. Now, Bangladeshis do not lag behind other communities in terms of education. In higher education, Bangladeshi students have created a creditable position for themselves. Even so, Bangladeshis diaspora members are also making efforts to maintain ties with their cultural and ethnic heritage. Many schools in Bangladeshi neighbourhoods in the United Kingdom offer courses in Bangla for young Bangladeshis and encourage them to learn about their history and culture.

A large portion of the Bangladeshi diaspora still nurtures a nostalgia for Bangladesh, which is evident from their love for Bangladeshi art and crafts. Many British people enjoy vacations travelling to other European countries, but Bangladeshis usually visit their homeland instead. Thus, there remains ample opportunities for entrepreneurs (both Bangladeshis and Bangladeshi diaspora members) to deal in "nostalgia goods" (e.g., foods, handicrafts, etc.) and tourism in Bangladesh.

Bangladeshi diaspora members have been playing a major role in the United Kingdom in expediting the socio-economic as well as political development of the country. Third or even fourth generation Bangladeshi diaspora members in the United Kingdom are integrating into the mainstream British economy and politics.

A network of Bangladeshi restaurants in Britain provides employment to Bangladeshi migrant workers who come on short-term contracts to work as waiters, cooks, and kitchen assistants (See Box 2.1)

Box 2.1: Curry houses of Bangladeshis in the United Kingdom

The Bangladeshi diaspora in Britain contributes significantly to the British economy. Besides other business ventures, the curry business run by Bangladeshis have become particularly ubiquitous. British-Bangladeshis own more than 80 per cent of the £3.6 billion British curry industry. These curry business by Bangladeshis started appearing in the late 1950s. Bangladeshis run some 10,000 restaurants (thus forming the mainstay of the British curry industry) that are largely manned by people of Bangladeshi origin. These restaurants employ about 90,000 workers. On an average about 2.5 million people in the United Kingdom regularly eat at restaurants owned by Bangladeshis. The Bangladesh Caterers Association is now a strong professional organization in Britain. The association has played an active role in providing assistance to Bangladesh in times of disaster like Cyclone Sidr and undertaken a few other initiatives to support development work in Bangladesh.

Sources: The Daily Sun, 2013; and High Commission of Bangladesh – London, n.d.

According to the United Kingdom National Census 2011, a total of 447,201 Bangladeshis live in England and Wales, which represents 0.8 per cent of the total population of the country. The census shows a 56 per cent increase in persons of Bangladeshi origin from 2001.

Knowledgeable Bangladeshi diaspora members based in the United Kingdom also informed that the number of Bangladeshis is in Britain is about 500,000 – a figure which is equivalent to nearly 6 per cent of all Bangladeshi migrant workers who have gone abroad since 1976. Official remittance data for the last decade (FY2002/03 to FY2011/12) shows that 8.4 per cent of the total remittance came from Bangladeshis in the United Kingdom. So the Bangladeshi diaspora members in the United Kingdom

represent a significant portion of the total Bangladeshi emigrant population and provide a significant contribution to the economic development of Bangladesh through their remittances.

Discussions with Bangladeshi diaspora members in the United Kingdom reveal that most remain inextricably bound-up with their homeland. They keep regular contact with relatives living in Bangladesh. They tend to visit Bangladesh at least once a year. A large portion want to invest in Bangladesh, and a significant number already have. Investments made in Bangladesh by members of the Bangladeshi diaspora, in most cases, are in the form of land purchases, not in entrepreneurial activities. However, discussions between the research team and a number of Bangladeshi diaspora members that some had invested in businesses in Bangladesh, including software development enterprises, retail outlets, and construction companies across the country. It is found that Bangladeshi diaspora members who did invest in Bangladesh business ventures were inspired to do so both because of the lower labour costs in Bangladesh as well as a feeling of "doing something good for the motherland". In the Sylhet area, a number of business ventures (e.g., department stores, holiday resorts, restaurants, etc.) of Bangladeshi diaspora members were found during an on-site visit by the research team[4]. Relatives play an important role in management of such businesses in Bangladesh, and diaspora investors prefer to give employment opportunities to the members of their own home community. Business persons in Sylhet see sectors such as education and health as offering good investment opportunities for diaspora members who are wealthy enough to invest in capital-intensive businesses.

[4] The research team visited Sylhet district and spoke with the local knowledgeable persons in mid-June 2013.

Chapter 3

Contributions of the **Bangladeshi** diaspora: Current status and feasibility

Bangladeshi diaspora members usually have strong psychological attachment to their ancestral roots. They keep in touch with their homeland via telephone, mail and email, or online communication platforms like Skype and Facebook. A variety of domains such as religious rituals, frequent communications, and matrimonial links strengthen the ties between diaspora peoples and their home country or among diaspora communities. Bangladeshi diaspora members are aware of the happenings in their homeland and they show concern over political or financial crises experienced there. As a result, Bangladeshi diaspora members are predisposed to working as a contributory force for the development of Bangladesh. First generation diaspora members, in particular, still hold a strong linkage with their home country, and remit foreign currency to their family members/relatives residing in Bangladesh. When they have an opportunity to invest in business outside their host country, then their first preference is Bangladesh. When they can provide employment in the host country, they look for Bangladeshi people first.[5]

[5] Derived from Quader, 2012; and in-depth interviews with Bangladeshi diaspora members

3.1 Contributions of the Bangladeshi diaspora: Current status

Sending remittance: It is evident that migrant workers remit the majority of their income to Bangladesh. Siddiqui and Abrar (2001) found that about 56 per cent of income is remitted by a typical migrant worker. Despite a lack of data, it is argued that diaspora members remit significantly less money to Bangladesh, compared to temporary migrant workers. The argument behind this assertion is that diaspora members have less of an attachment to Bangladesh and higher living standard at abroad. However, a simple calculation can nullify this conclusion.

It is evident that the major destinations for Bangladeshi diaspora are the United Kingdom and the United States. From key informants it has been estimated that in those countries there are approximately 1,000,000 Bangladeshi diaspora members; which represents about 12 per cent of the total number of Bangladeshi migrant workers who have gone overseas since 1976. If one examines the official data of remittance flows to Bangladesh over the last decade (FY2002/03 to FY2011/12), then it is found that 21.5 per cent of total remittance over that period came from these two countries only. If we only take the remittance data for FY2011/12, then it is also evident that 19.4 per cent of total remittance came from the United States and the United Kingdom only (see Table 3.1). So diaspora members that represent just 12 per cent of the total migrant population are contributing about 20 per cent of the total remittance. Thus, it can be concluded that Bangladeshi diaspora members provide a significant direct contribution to the economic development of Bangladesh.

Table 3.1: Remittance sent by Bangladeshi wage earners by destination country for FY2002/03 to FY2011/12 (in US$ millions)

FY	KSA	UAE	Qatar	Oman	Bahrain	Kuwait	USA	UK	Malaysia	Singapore	Others	Total
2002-03	1 254.31	327.40	113.55	114.06	63.72	338.59	458.05	220.22	41.40	31.06	99.61	3 061.97
2003-04	1 386.03	373.46	113.64	118.53	61.11	361.24	467.81	297.54	37.06	32.37	123.18	3 371.97
2004-05	1 510.45	442.24	136.41	131.32	67.18	406.80	557.31	375.77	25.51	47.69	147.60	3 848.29
2005-06	1 696.96	561.44	175.64	165.25	67.33	494.39	760.69	555.71	20.82	68.84	238.81	4 801.88
2006-07	1 734.70	804.84	233.17	196.47	79.96	680.70	930.33	886.90	11.84	80.24	339.32	5 978.47
2007-08	2 324.20	1 135.10	289.80	220.60	138.20	863.70	1 380.10	896.10	92.44	130.10	444.50	7 914.80
2008-09	2 859.09	1 754.92	343.36	290.06	157.45	970.75	1 575.22	789.65	282.20	165.13	501.33	9 689.16
2009-10	3 427.05	1 890.31	1 019.18	170.14	193.46	587.09	349.08	360.91	827.51	1 451.89	453.86	10 987.40
2010-11	3 290.03	2 002.63	319.35	334.32	185.92	1 075.75	1 848.52	889.60	703.73	202.32	798.14	11 650.31
2011-12	3 684.36	2 404.78	335.26	400.93	294.46	1 190.14	1 498.46	987.46	847.49	311.46	855.47	12 810.27
Total	**23 167.18**	**11 697**	**3 079.36**	**2 141.68**	**1 308.79**	**6 969.15**	**9 825.57**	**6 259.86**	**2 890**	**2 521.1**	**4 001.82**	**74 114.52**

Source: Bangladesh Bank.

Box 3.1: Positive effects of brain drain on (developing) home countries	
Area of effects	**Effects**
Knowledge and human capital	■ Brain gain. ■ Transfer/sharing of skills/technology. ■ Diaspora knowledge networks. ■ Accumulation of broader/deeper knowledge/skills/experience.
Macroeconomic processes	■ Returning entrepreneurship.
Trade / capital flows	■ Remittances. ■ Diaspora savings: bonds, deposits, loans, funds, etc. ■ Diaspora effects and business networks: ● Creation/strengthening of trade flows: merchandise and service (e.g., tourism). ● Creation/strengthening of foreign direct investment.
Institutional processes	■ Diaspora assistance in/pressure for institution-building. ■ Returnee supply of/demand for institutions.

Source: UNCTAD, 2012, p. 97.

Productive investment: It is widely argued that a huge amount of remittance is not utilized in an efficient manner to gain the expected economic returns for the overall development of Bangladesh. It is argued that remittance is not used in productive sectors; rather, it is used for consumption. Two-thirds of the remittances received are used for consumption, where at best one-third is invested (Siddiqui & Abrar, 2003). When investments are made, they mostly involve the buying of land, and not for entrepreneurial endeavours.

Community development in Bangladesh: From in-depth interviews with Bangladeshi diaspora members it emerged that the remittances sent by them are generally not used for community development activities; although in some cases they are donated for the infrastructural development of local religious centres. Their lack of willingness to invest in community development initiatives is not unique to diaspora members, as short-term migrants are also unlikely to give to such initiatives. According to Bruyn and Kuddus (2005), there is no well-documented evidence of migrant worker interest in making any investments for community development. Remittance money earmarked for the benefit of others is typically limited to the family sphere, such as providing social security for aging parents and/or close relatives. In-depth interviews with Bangladeshi diaspora members revealed similar findings.

Brain drain or brain gain?: Brain drain (or human capital flight) is the large-scale emigration of a large group of individuals with technical skills or knowledge. Brain drain is usually regarded as an economic cost, since skilled emigrants usually take with them the value of their training sponsored by the government or other organizations. Brain drain is often associated with the deskilling of migrant workers in their country of destination, while their country of origin experiences a draining of skilled individuals.

A study shows that an increase in the share of migrants with tertiary education has a negative impact on total and per capita remittances (Niimi, et al., 2008). This implies that, Bangladeshi migrants with higher education would tend to remit less compared to the migrant workers with less education. In-depth interviews with Bangladeshi diaspora members appear to corroborate the findings of the study. However, the brain drain factor has had almost no impact on the inflow of remittance into Bangladesh as of yet, primarily because professionals (most of whom have a tertiary level of education) constitute only 1 per cent of all migrant workers of Bangladesh.

In addition, "social remittance" has been an integral part of the migration of Bangladeshi professionals (a major portion of them are members of the diaspora). Social remittances can be defined as "ideas, practices, mindset, world views, values and attitudes, norms of behavior, and social capital (knowledge, experience and expertise) that the diaspora mediate and get transferred from host to home countries" (North-South Centre of the Council of Europe, 2006, p. 12). Recent studies suggested that contemporary diaspora members do not sever their relationships with the home country; rather, they forge and sustain multiple linkages with it (Levitt, 2005). In-depth interviews with Bangladeshi professional diaspora members have revealed that the changing world scenario in conjunction with the extraordinary development in communication technologies have played a role in ensuring their taking a proactive approach to Bangladesh. They now visit Bangladesh more frequently than before. They bring with them knowledge, experience, and expertise as social remittance. Some return to Bangladesh at a certain age, equipped with a handsome amount of foreign exchange, and start living in Bangladesh on a permanent basis. In addition, opportunities are left open for them in Bangladesh (see Chapter 4 for more details), which attracts a portion of diaspora members to return to the home country and/or contribute to the economy of Bangladesh. So the role these diaspora members play proves effective in offsetting the brain drain that may result from the emigration with a brain gain spurred by their return and/or continued participation in the economy of Bangladesh. A set of positive impacts of brain drain identified by UNCTAD are shown in Box 3.1.

Contribution of returning diaspora members*:* Returnee diaspora members have made significant contributions to the development of Bangladesh. Some selected cases[6] by sector are given below:

- **Education:** After working at Harvard University (United States), Prof. Omar Rahman returned to Bangladesh, where he has contributed to development of one of the leading private universities. Prof. Rahman has developed collaborative research relationships with different American and British universities, including for an international centre for climate change and development.

- **Medicine:** Dr Sardar A. Nayeem and Dr Jonaid Shafiq returned to their home country from Japan, and established the Japan Bangladesh Friendship Hospital (JBFH) in 1993 in partnership with Japanese doctors. The Hospital has initiated a grassroots program entitled "Krishoker Sashtho Seba" (Health Care for Farmers). JBFH also provides health care facilities to marginalized and underprivileged people and organizes workshops on issues such as first aid training and awareness of common diseases.

- **Telecommunications:** Prof. Iqbal Z. Quadir returned to Bangladesh from the United States. He started working to improve access to mobile phone services and increasing self-employment opportunities for the rural poor through connectivity. In 1993, he started a company with a Norwegian telecom company and financing from aid agencies and development banks. The company later became the largest telephone operator in Bangladesh – Grameen Phone, with 16 million subscribers providing telephone access to more than 100 million people in 60,000 villages.

[6] Derived from UNCTAD, 2012, and Siddiqui & Parvin, 2012.

- **Media:** Two communications professionals, S.M. Ali and Mahfuz Anam, developed international careers as journalists and worked for several public affairs and media bodies in Asia, North America, and Europe, including international organizations. They later returned to Bangladesh, where they launched a newspaper in 1991 with the stated aim of strengthening democracy and freedom of expression. The newspaper, titled the Daily Star, has become the country's leading English national daily.

Technology transfer: Bangladeshi diaspora members play an effective part in the mobilization of technology in their homeland for the sake of Bangladesh's overall socio-economic development. Some of examples are given below:

- **Inventing the SONO filter:** Born in Kushtia, Bangladesh (1952), Abul Hussam is now a professor of chemistry and the director for the Center for Clean Water and Sustainable Technologies in the Department of Chemistry and Biochemistry at George Mason University in the United States. Dr Hussam moved to the United States in 1978 for graduate studies. Later he received a doctorate in analytical chemistry from the University of Pittsburgh in 1982. He spent much of this career trying to devise a solution to the problem of arsenic contamination in the groundwater in eastern India and Bangladesh. The result: his SONO filter, which uses a "composite iron matrix" that is manufactured locally from cast-iron turnings, along with river sand, wood charcoal, and wet brick chips. It removes 98 per cent of arsenic content as well as other mineral impurities that make water hard. A US$35 unit serves two families and lasts at least five years. Hussam's device won the Grainger Challenge Prize (2007) from the United States National Academy of Engineering, and most of the US$1 million prize has gone to a Bangladeshi nonprofit organization – Manob Sakti Unnayan Kendro – that has produced and distributed 250,000 SONO filters to the poor people of Bangladesh free of cost with support from donor agencies. The SONO filter has also made headway into India, Pakistan, Nepal, and Egypt (Singh, 2007).

- **Decoding the jute genome in Bangladesh:** Maqsudul Alam, a Bangladeshi microbiologist and biochemist who studied and worked in the Soviet Union, Germany, the United States, and Malaysia, decoded for the latter country the genome sequencing of its most important plant: rubber. In order to have Bangladesh benefit from his knowledge and skills, he later undertook the same type of research for jute. This was done through a joint project with the Global Network of Bangladeshi Biotechnologists, the Centre for Chemical Biology, the University of Science (Malaysia), the University of Hawaii (United States), and a team of Bangladeshi researchers. The discovery facilitates pest control and the manufacturing of better finished industrial products out of jute. This is indeed an excellent example of a diaspora knowledge network (UNCTAD, 2012).

- **Medical diaspora network for Bangladesh:** Bangladeshi physicians in North America established the Bangladesh Medical Association of North America in 1980. The Association supports Bangladesh by organizing visits of medical teams to provide training and technology transfers, subsidized/pro bono specialized clinical services, and the donation of books, computers, and journals to medical colleges and universities in Bangladesh. Its members have been participating in knowledge transfers and training in cutting-edge advances in numerous fields, such as neurology, surgery, and infection control (UNCTAD, 2012).

Supports for short-term/fixed-term Bangladeshi migrant workers[7]: In many cases Bangladeshi diaspora members tend to lend their support to Bangladeshi migrant workers who are overseas on short-term/fixed-term contracts. Even undocumented Bangladeshi migrant workers receive support from Bangladeshi diaspora. The support is mainly provided in the following forms: financial support; temporary living space; arrangement of work under regular conditions; and providing information in seeking legal support for undocumented migrant workers; etc. In the United Kingdom, many of the restaurants owned by Bangladeshi diaspora members employ a large number of short-term/fixed-term Bangladeshi migrant workers.

Bangladeshi migrant workers have indicated that associations of Bangladeshi diaspora sometimes take the initiative to provide support systems for short-term Bangladeshi migrant workers to a degree that is not yet available through regular, formal channels such as Bangladesh foreign missions. Such assistance, however, seems to be rare and dependent on personal contact between a migrant worker and a diaspora association. Bangladeshi diaspora members, in this regard, have argued that engagement of diaspora associations in social protection of their compatriots, who migrate on short-term contracts, will require facilitation by the foreign missions of Bangladesh. They advise that the Bangladesh foreign missions should mobilize diaspora members to form associations and cultivate these associations to contribute to the well-being of workers who arrive in destination countries on short-term contracts.

Bangladeshi diaspora members who have the opportunity to bring their relatives/friends to their destination country often extend the support needed to realize that opportunity. However, in recent years, due to stricter immigration regulations in most destination countries, such practices seem to have decreased significantly.

While expressing an interest in extending a hand to their less fortunate compatriots from Bangladesh, diaspora members also raised the need to be cautious. In general, diaspora associations and members are wary of providing direct assistance to undocumented Bangladeshi migrant workers. diaspora members stated that cases of irregular migration by Bangladeshis lead to suspicions in the destination country about their own conduct because they share a country of origin with these irregular migrants. Their advice to Bangladesh foreign missions that the missions should undertake initiatives to engage diaspora members in social protection of documented migrant workers seems to be arising from this concern. Participation in an initiative of a foreign mission of Bangladesh is likely to ensure that benefits reach documented short-term migrant workers while also enabling diaspora members to reach out to Bangladeshi migrants through official channels and therefore not be seen through a suspicious lens by their adopted country.

3.2 Feasibility of increasing the contribution of the Bangladeshi diaspora to Bangladesh

Change of mental setting and formulation of strategy to bring contributions of Bangladeshi diasporas into Bangladesh's development: Diaspora members build bridges between the home and host countries through economic and social interaction. To receive the utmost benefit from diaspora community members, the Government of Bangladesh has to adopt a concrete and harmonious action plan by addressing and redressing the problems diaspora members get exposed to in host countries.

[7] The information in this section was derived through in-depth interviews with Bangladeshi diaspora members and discussions with returnee migrants and migrant workers currently employed overseas, conducted between January and June 2013.

The government should take initiatives to highlight the problems of its diaspora with the governments of host countries through bilateral discussions. There is, moreover, no well-defined policy outlining how to best leverage the diaspora. The perennial issue now is how to extract the full potential of the Bangladeshi diaspora in a practical essence (Quader, 2012). The Bangladesh government needs to formulate policies and strategies to bring the contributions of Bangladeshi diaspora members into the country's development, especially towards knowledge-based sectors (such as information technology). In this regard, the Indian government's attitude towards Indian diaspora members could be reviewed. It is noteworthy that, as a vital element in its diaspora policy, India granted generous incentives to diaspora investors who actively promoted and supported the Indian software sector in the late 1990s. Indian diaspora members involved in software and engineering services have helped provide venture capital for start-up companies in India. They have also supported the development of their sectors by bringing in projects, enhancing the outsourcing of services to Indian companies, providing contacts to overseas clients, and facilitating further inward and outward movement of service providers (UNCTAD, 2012).

How to involve the Bangladeshi diaspora in productive investment: A number of reasons have been identified for diaspora members not being interested in productive investment. Some of the reasons are given below[8]:

- lack of information on the scope for investment;
- less risk in the purchase of land and construction of houses;
- political unrest and uncertainty;
- lack of infrastructures and services (especially roads, fuel, electricity);
- high hidden costs in doing business (e.g., bribes, rent seeking);
- better investment prospects in a third country;
- bureaucratic red-tape; and
- unsuccessful past investment due to above-mentioned reasons

Strong political commitment is required to minimize the above-mentioned challenges by ensuring accountable and transparent governance at all levels of the government system. In addition, public-private partnerships could be instrumental in ensuring required services to set up industries (e.g., electricity). It is found that the attitude of the Board of Investment is not at all investor-friendly, and its processes are highly time-consuming. As a result, it cannot attract investment from Bangladeshi diaspora members. Two Bangladeshi diaspora entrepreneurs, speaking on condition of anonymity, told the research team that the "unwelcoming attitude" of some relevant officials (including some Board of Investment officials) was enough to make them reluctant to invest in Bangladesh, and they eventually diverted their investments to a private airline company in Africa.

Inclusion of the Bangladeshi diaspora in community development*:* From in-depth interviews with Bangladeshi diaspora members, the fact emerges that remittances sent by them are not used for community development activities. This being the case, it would be interesting to review a Mexican programme entitled "Programa Tres por Uno" (Three for One Programme), which is an interesting public policy initiative that attempts to harness and prioritize efforts by the organized diaspora community. The basic idea is that members of the Mexican diaspora send so-called "community remittances" to the

[8] These reasons were gathered through in-depth interviews with five Bangladeshi diaspora members living in the United Kingdom and United States who are searching for investment opportunities in Bangladesh.

places they came from for investment in local public sector projects such as roads, schools, hospitals, potable water, sewage, the electrical grid, or other public spaces and objects (monuments, churches, community centres, sports facilities, etc.). The programme has been designed to maximize the impact of migrant organizations' commitment to their communities of origin through a system of matching public funds. It has attracted considerable attention for its attempt to integrate joint investments between migrant organizations and the three levels of government (federal, state, and municipal) to finance basic infrastructure in the communities of origin of migrants through matching funds to the migrant organizations' contributions. Other governments and/or migrant communities already implementing or considering variants of "Tres por Uno" include El Salvador, the Philippines, Peru, Colombia, and Ecuador. However, the fiscal requirements of "Programa Tres por Uno" could be quite high and make it inoperable in a typical developing country. "Tres por Uno" has been challenging in terms of administrative capacity even in Mexico, as it requires the coordination of four actors at three different levels of government and a civil organization abroad. Another critique of "Tres por Uno" is its lack of focus on the poorest communities (UNCTAD, 2012).The Bangladesh government – through a clearly defined, accountable, and transparent mechanism – can also take such an initiative to use remittance from Bangladeshi diaspora members for community development.

Reformulation of industrial policy to attract investment from the Bangladeshi diaspora: One of the best examples of what a government can do through its industrial policy to build productive capacities through maximizing the developmental impact of the country's diaspora can be found in China (see Box 3.2 for details). To harness benefits from the Bangladeshi diaspora, the Bangladesh government could make use of China's experience, with necessary customization in line with the reality of Bangladesh.

Box 3.2: China – One of the best examples of government initiative to utilize diaspora members in development

Since the late 1980s, the Chinese government has undertaken major efforts to combine sentiment and incentives to attract investment from the Chinese diaspora. The Chinese strategy was a combination of efforts by entrepreneurial local officials and Chinese diaspora investors to promote a pro-investment policy toward the diaspora. Substantial increases of FDI into China (estimated at as much as 80 per cent of the total) largely originate from the Chinese diaspora. The particular institutional conditions of China also encourage the phenomenon known as round-tripping whereby domestic resources were transferred to the Chinese diaspora to enter the country again as diaspora investment. While no precise claims can be made, estimates suggest that a significant part of Chinese diaspora investment has been of this type, aided by the fact that the Chinese government made investment a major focus of its relationship with the diaspora. The Chinese government has also actively solicited highly skilled professionals to return to China permanently or for a few years, with incentives such as relatively higher pay than local counterparts; better working conditions such as laboratories and research assistants; and provision of research grants. In many technological areas, diaspora members are also actively encouraged to mentor younger skilled people who are still in China, as well as visit and nurture their previous institutions, which has been an important part of the strategy of encouraging innovation and technological upgrading.

Source: UNCTAD, 2012, p. 134–135.

Acquisition of skills, technology transfer, and brain gain through an emphasis on networking with the Bangladeshi diaspora: Bangladeshi diaspora members have already played a role in mobilizing technology in Bangladesh, thereby contributing to the country's overall socio-economic development. However, Taiwan (China), has taken some public policy initiatives in order to maximize the development impact of its diaspora. Taiwan (China) maintains a database of returning professionals, skilled labour, and other workers and assists these workers in finding a job match in Taiwan. The island is trying to attract its diaspora members to contribute to the transformation of the Taiwanese economy. Taiwan also

has a forward-looking strategy to anticipate the skills requirements of the local economy and promote industry-specific skills and wage profiles through a variety of means, such as diaspora conferences, publications, etc. The examples of Taiwan (China) can be considered by Bangladesh while designing strategies and policies in this regard. The policy initiatives undertaken by the Taiwanese government to attract diaspora contributions are shown in Box 3.3.

Box 3.3: Policy initiatives undertaken by the Government of Taiwan (China), to attract diaspora contributions

- Establishing a database that tracks skilled emigrants and matches job opportunities in Taiwan Province of China;
- Coordinating efforts to convince emigrants to return home by providing them with competitive salaries, improved working conditions and financial subsidies;
- Setting up networks with its Taiwanese counterparts, officials and foreign investors;
- Sponsoring national development conference and bringing Taiwanese back home to participate in the formation of multinational networks, geared to building Taiwanese business and technological advantages; and
- Setting up the Hsinchu Science and Industrial Park and diaspora incubator firms; and strongly encouraging investment in Research and Development (R & D) and innovation.

The novelty of the approach was that the Taiwanese government did not treat its diaspora only as a source of investment, but as a source of human capital and technology transfer which could support the development of endogenous knowledge-based industries.

Source: UNCTAD, 2012, p. 135.

Initiation of visiting homeland programmes: Diaspora engagement is an emotional process. One of the most powerful ways of connecting the head and the heart of diaspora members is through visits to the homeland. Countries around the world are now inviting their diasporas to come back to their homelands by promoting structured visits and increasingly attracting diaspora tourism. For example, "Know India" is a three-week internship program for diaspora youth conducted by the Ministry of Overseas Indian Affairs with a view to promoting awareness about India, its socio-cultural diversity, its all-round development, and its higher education system. The participants are selected based on recommendations made by Indian missions/posts in countries with sizeable Indian diaspora populations. Participants are provided with full hospitality and are reimbursed for 90 per cent of their airfare (Aikins & White, 2011). Such programmes can also be initiated in Bangladesh on a pilot basis.

Voting rights of diaspora members: A concern for harnessing contributions by the Bangladeshi diaspora: The right to vote abroad offers diaspora members access to the home country's political decisions and, in some cases, to have their specific interests represented. For example, Italians abroad have the right to elect by mail 12 representatives in the parliament and six senators to represent the interests of the Italian community abroad. Similarly, the 2 million French citizens registered abroad elect the Assemblée des Français de l'Etranger, which is chaired by the Minister for Foreign Affairs. In-depth interviews with Bangladeshi diaspora members found that Bangladeshis residing overseas are interested in casting their votes. Bangladesh also has a provision for postal voting too, but due to resource constraints, this process is not being expedited by the relevant government authorities. In addition, a recent reform by the Election Commission stipulates that in order to exercise the right to franchise, a person has to be present in the country during the voter registration period, thereby making it more difficult to vote from abroad. All these issues need to be taken into serious consideration by policy-makers if the highest level of development initiatives by Bangladeshi diaspora members is sought.[9]

[9] Source: In-depth interviews with Bangladeshi Diaspora members; and key informant interview with official from Bangladesh Election Commission, who spoke on condition of anonymity.

Dual nationality: A concern for harnessing contributions by Bangladeshi diasporas: The granting of dual nationality is a significant measure adopted by home countries to formalize the sense of belonging of their diasporas to the home country, both in a symbolic and a concrete way. Several home countries grant dual nationality with a view to facilitating diaspora contributions. It is notable that in India two terminologies are used: Non-Resident Indian for a person who is a citizen of India, residing outside India; and Person of Indian Origin, which refers to citizens of another country who are of Indian origin or descent, including second and subsequent generation diaspora (Ionescu, 2006).

Dual nationality or citizenship was not permitted an Amendment of the Bangladesh Citizen's (Temporary Provisions) Order, 1972 in 1978. This Amendment, read together with the Order, permits the citizens of North American and European countries who are of Bangladeshi origin by birth, as well as the children of such persons, to obtain a Dual Nationality certificate. The Dual Nationality certificate enables a person of Bangladeshi origin and/or their children to live and work or run a business in Bangladesh, but it restricts them from contesting elections for local and national representative and governance institutions. Some diaspora members complained about the time it takes to get a Dual Nationality certificate. Some others complained of corruption in the process for getting a Dual Nationality certificate. And as the Amendment limits the number of countries covered under the dual nationality provision, it is not helpful for Bangladeshi diaspora members in other parts of the world.

Chapter 4

Initiatives for increasing contributions from the Bangladeshi diaspora

A number of initiatives aimed at increasing the contributions from the Bangladeshi diaspora already exist in Bangladesh. Most such initiatives were put in place by the Government of Bangladesh, although many are on a small scale or suffer from flaws in design. Certain initiatives hold a measure of popularity among Bangladeshi diaspora members, whereas others do not. The existing initiatives are delineated below:

Bonds: The government has introduced initiatives to utilize remittance as productive investments in the Bangladesh economy. Bangladesh Bank, as the central bank of Bangladesh, has taken some initiatives to attract the investments of overseas wage earners and diaspora members. One of the major initiatives is the Wage Earners' Development Bond. This financial instrument was created in 1981 to attract the investment of foreign remittances. The features of the Wage Earners' Development Bond are shown in Box 4.1.

Box 4.1: Features of the Wage Earners' Development Bond

- Can be purchased by any Bangladeshi wage earner in their own name, in the name of a person nominated by the wage earner, or in the name of a beneficiary of the wage earner residing in Bangladesh.
- Bond can be purchased without opening a Foreign Currency Account.
- 12 per cent interest is paid upon maturity (compound interest accrued on half-yearly basis).
- Can buy bonds by submitting only copy of the wage earner's passport.
- Bonds can be purchased through the Exchange Companies of Bangladeshi banks working abroad.
- No upper limit on purchases.
- Bonds may be rendered as a security/collateral against loans taken from any scheduled banks in Bangladesh.
- By purchasing bonds totaling of BDT80,000,000 or above, the bond holder shall be treated as a Commercially Important Person (CIP) and shall enjoy facilities as entitled to a CIP.
- In case of loss or theft of the bond certificate, or physical damage to the bond certificate, the bond-holder is not required to announce the loss through a newspaper.
- Heir(s) or a legal nominee of the bond-holder will receive the assured sum in the event of the death of the bond-holder.

Source: The Wage-Earner Development Bond Rules, 1981.

However, Bangladesh Bank officials, speaking in key informant interviews, stated that the sale of Wage Earners' Development Bonds has lost momentum among non-resident Bangladeshis, including diaspora members. Sales in 2013 improved when compared to the 2012, but the net position is still not satisfactory, mostly due to a higher rate of encashment[10]. However, Bangladesh Bank officials have pinpointed a number of reasons for this loss of momentum in sales. The major reasons given are: 1) the 5 per cent source tax on interest; 2) a lack of confidence brought on by interest rate fluctuations; 3) a large portion of the bonds were cashed in for diversion into share markets, and due to recent scams within the Bangladesh bourses the invested money could not be recovered, thus re-investment in bonds have not taken place; and 4) depreciation of the Bangladeshi taka, since the bonds (as well as the interest paid) are issued in taka.

The Government of Bangladesh introduced the US Dollar Investment Bond and US Dollar Premium Bond in 2003 to facilitate investment of foreign currency by non-resident Bangladeshis. Non-resident Bangladeshis are eligible to purchase US Dollar Investment Bonds and US Dollar Premium Bonds with foreign currency sent to their Foreign Currency Account or with a cheque/draft in foreign currency. US Dollar Premium Bonds offer a bit higher interest at maturity compared to that of US Dollar Investment Bonds. However, for both bonds, the principal amount is repatriable abroad, and both the interest and principal are free from income tax in Bangladesh. CIP facility is granted to the purchaser of bonds valued at US$1 million or more. Bangladesh Bank officials told the research team that, in the 2011–12 fiscal year, the performance of both US Dollar Investment Bonds and US Dollar Premium Bonds grew excellently compared to the Bank's target. Outstanding balances as of February 2013 were 1,295.51 crore taka (BDT12.95 billion) for the US Dollar Investment Bond and 258.86 crore taka (BDT2.59 billion) for the US Dollar Premium Bond. The major reason for the popularity of these two bonds when compared to the Wage Earners' Development Bond is that the US dollar has not depreciated like the taka, making these foreign currency instruments more popular among buyers. Taking on lessons from the experiences so far, the Bangladesh Bank is planning to launch new sovereign bonds that they think, are likely to become popular among non-resident Bangladeshis.

Although the returns offered by the bonds mentioned above are much more lucrative compared to many other bonds in the international market, the bonds still do not hold a high level of popularity among non-resident Bangladeshis. The major reason underlying the unsatisfactory sale of these bonds is that too many non-resident Bangladeshi do not have adequate knowledge of these bonds and their benefits. In order to promote the bonds, recommendations came been provided from several sources. The major recommendations are shown in Box 4.2.

10 Wage Earners' Development Bond: Outstanding balance up to Feb. 2013 was BDT49.75 billion.

Box 4.2: Recommendations for promoting bonds for non-resident Bangladeshis

1) Road shows were arranged at abroad on financial products of Bangladesh focusing non-resident Bangladeshis. The roads shows are arranged by government and cost are carried out by the participant commercial banks. The road shows have been proved useful in disseminating information about the financial products. More road shows in a more concerted form involving all the relevant stakeholders (and maybe incorporating other relevant themes for the benefit of Bangladeshis working/living abroad) could be arranged.
2) In the local newspapers abroad that are popular among non-resident Bangladeshis, regular advertisements for these financial products need to be published. As this is a costly method of advertisement, joint initiatives by the commercial banks would be instrumental. However, this initiative needs to be supported and promoted by the Government of Bangladesh, at least during the first phase.
3) Television commercials on such products need to be telecast on a regular basis in the satellite television channels of Bangladesh that are viewed by overseas Bangladeshis. As this is a costly method of advertising, joint initiatives by the commercial banks would be instrumental. However, this initiative needs to supported and promoted by the Government of Bangladesh, at least during the first phase. It is noteworthy that timing of airing the advertisement needs to be fixed considering the local reality of the diaspora members in target countries.
4) Commercial banks now enjoy a profitable percentage of total sales of the bonds (earlier, it was only a fixed amount on the sale of each bond). Still the banks do not show a great deal of interest in selling government bonds; rather they prefer to promote their own products. This being the case, the government could persuade as well as enforce (in the form of fixing a sales target) the commercial banks in this regard.

Source: Key informant interviews with Bangladesh Bank officials and officials at commercial banks (both public and private); and in-depth interviews with Bangladeshi diasporas.

Investment of non-resident Bangladeshis (NRBs) being treated on par with Foreign Direct Investment (FDI): It is noteworthy that investment by non-resident Bangladeshis (NRBs) is treated on par with FDI, and FDI enjoys a number of incentives. Special incentives are provided to NRBs to encourage investment in the country. NRBs enjoy facilities similar to those of foreign investors. Moreover, they can buy newly issued shares/debentures of Bangladeshi companies. A quota of 10 per cent has been fixed for NRBs in primary public shares. Furthermore, they can maintain foreign currency deposits in a Non-resident Foreign Currency Deposit (NFCD) Account. An additional rebate of 5 per cent on the total sale price of State-owned enterprises sold by the Privatization Commission is granted when the buyer, including NRBs, pays the full amount in foreign currency. The United Kingdom's Department for International Development has recently expressed its interest in assisting Government of Bangladesh in developing a Special Economic Zone in Bangladesh that may be ideal place for investment by NRBs[11].

Banks for Non-Resident Bangladeshis: Banks for non-resident Bangladeshis[12] have been approved by Bangladesh Bank, and one of the approved banks – NRB Commercial Bank Ltd. – launched on 2 April 2013. The bank was set up by 53 non-resident Bangladeshis from eight countries, and with its foray into the country's banking system, NRB Bank became the first of its kind in the private sector. NRB Bank has an advantage because non-resident Bangladeshis who invest through the bank do not have to pay income tax on investment earnings, whereas investment income earned by local investors is taxed by the State. Even so, the chairperson of the NRB Commercial Bank told the research team that the process of running a business venture in Bangladesh is marred by bureaucratic control and rigidity, and that it is highly time-consuming to navigate all the red tape. He added, "If an investor-friendly environment and good image of the country are not built, it will be extremely difficult to attract investment from Non-

[11] Derived from the website of the High Commission of Bangladesh, London. http://www.bhclondon.org.uk/InvestInBangladesh.html [accessed 10 Apr. 2013].

[12] It should be noted that banks of this sort are quite different from typical commercial banks and represent the "first of its kind in the world". The non-resident Bangladeshi bank idea was developed by a senior official of the Banking Regulation and Policy Department, Bangladesh Bank. Bangladeshi expatriates have been demanding such a bank for themselves since the late 1990s, when remittance inflow increased at a stable rate. The Bangladesh Bank official formally presented the idea and proposal for such a bank in a paper titled *Alternative resource of World Bank for external financing in Bangladesh: A foreign remittance approach*. This paper was presented at the 16th Biennial Conference of the Bangladesh Economic Association (BEA) on 15 December 2007 [Source: key informant interview with Md Bayazid Sarker, Deputy Director, Banking Regulation and Policy Department, Bangladesh Bank].

Resident Bangladeshis." He also stated that the collection of capital was difficult, largely because of the politically unstable situation and lack of good governance in Bangladesh.

Initiatives by the Investment Corporation of Bangladesh (ICB): The Investment Corporation of Bangladesh (ICB), a State-run corporation created by a Presidential Ordinance in 1976 to mobilize savings and create innovative investment opportunities, initiated the Bangladesh Fund in March 2011. The Bangladesh Fund was established as a BDT50 billion mutual fund of stocks on the Bangladesh bourses, and it was hoped that the Fund would help stabilize the share markets after the scandal-plagued crash of 2010–11. But according to local press reports (Daily Sun, 2012), the fund could not find popularity among expatriate Bangladeshis whose investments were mainly in specific enterprises or ventures. The ICB has made several attempts to attract the funds from expatriate Bangladeshis. Of these, the most recent is the permission granted by Bangladesh Bank to allow the ICB to open investment accounts for expatriate Bangladeshis. These investment accounts would enable expatriate investors to have greater control over where and how much of their funds would be invested.

System of depositing: Bangladesh Bank has made some provisions for easier depositing of money by non-resident Bangladeshis into Bangladeshi accounts. Some of such provisions are shown in Box 4.3.

Box 4.3: Easy depositing mechanisms for non-resident Bangladeshis

Non-Resident Foreign Currency Deposit (NFCD)	■ All non–resident Bangladeshi nationals and persons of Bangladesh origin, including those having dual nationality and ordinarily residing abroad may maintain an interest-bearing NFCD Account. ■ Accounts can be opened with US dollars, Pounds Sterling, Japanese Yen, and Euros. ■ The account holder can freely repatriate the balance and the interest accrued thereon in foreign exchange to the country of their residence or anywhere they choose, and may at their option, convert the balance into taka at the prevailing exchange rate.
Non-Resident Investor's Taka Account (NITA)	■ Non-resident persons/institutions, including non-resident Bangladeshi nationals, may buy/sell Bangladeshi shares and securities through opening a NITA Account. ■ NITA account holders can purchase shares and securities of domestic companies. The profit and dividends of these shares and securities and the sale proceeds of shares and securities can be deposited in the NITA account. ■ Funds in a foreign currency can be credited to the NITA Account if they have been remitted from abroad through an official banking channel or via a transfer of funds from a NFCD Account held in Bangladesh. ■ Balance of a NITA account-holder can buy and sale of shares and securities, and freely remit abroad in equivalent Foreign Exchange. ■ A non-resident person/institution that has a NITA account is required to open a Beneficiary Owner Account with the stock-brokers or banks who are depository participants. The shares are credited into the Beneficiary Owner Account. Non-resident persons/institutions may appoint a nominee with general power of attorney to handle transactions related to the Account, including the buying and selling shares and securities. The nominee should have the general power of attorney to manage the NITA Account as well, so they can get bank drafts issued with their signature.

Non-resident Bangladeshis are obliged to be treated as commercially important: Non-resident Bangladeshis are obliged to be treated as Commercially Important Persons (CIPs) if they invest at least US$150,000 in Bangladesh. CIP status is also given to non-resident Bangladeshis who import products from Bangladesh worth at least US$500,000. Recently, the Ministry of Expatriates' Welfare and Overseas Employment (MEWOE) awarded commercially important person status to 13 non-resident Bangladeshis for their contributions to the national economy. Honorable Minister Khandaker Mosharraf Hossain presented the CIP cards to the recipients at Probashi Kalyan Bhaban on 17 April 2013 (New Age, 2013).

Chapter 5

Recommendations

5.1 Policy initiatives

Increasing contributions from the Bangladeshi diaspora will not take place automatically or spontaneously. Harnessing the potential contribution from Bangladeshi diaspora members will depend on ensuring a series of institutional, economic, and political conditions. It is evident that the government is at the initial stage of harnessing this potential. Systematic and synergic policy initiatives would be crucial for fostering constructive diaspora effects on the development of Bangladesh. To have better outputs, initiatives must include mobilization and coordination among the efforts and resources of different stakeholders, especially relevant agencies of Bangladesh Government, Bangladeshi diaspora organizations, business associations of Bangladesh, international organizations, NGOs, and bilateral development partners. This coordination mechanism should start being built at the planning stage to ensure the engagement and coherence of all relevant stakeholders from the very beginning. The initiatives should be taken as a long-term strategy, or at least a medium-term strategy; not as a short-term strategy. The core areas for work are as follows:

- Defining diaspora considering the patterns and nature of migration, the behavior of Bangladeshi migrants as well as that of people of Bangladeshi descent born overseas, and the characteristics of resource-mobilization in Bangladesh.
- Recognizing and acknowledging the contribution of Bangladeshi diaspora members in policy strategies.
- The policy strategies should be designed with the overall developmental objectives and strategies of Bangladesh in mind, particularly the needs and philosophy of Sixth Five Year Plan and Vision 2021.
- Systematic and synergic policy initiatives would be crucial for fostering constructive diaspora effects on the development of Bangladesh. Not only must migration policies be coherently included in a development strategy, but other policies (e.g., those related to remittance, skill development, entrepreneurship development in the industrial sector, women's development, information communication technology, etc.) need to take migration issues into account.

5.2 Regarding the sending of remittances by Bangladeshi diaspora members

Awareness-building activities: For creating awareness regarding the sending of remittances through official channels, the following methods could be administered: (a) road shows in a more concerted form involving all the relevant stakeholders (and maybe incorporating other relevant themes for the benefit of Bangladeshis working/living abroad) could be arranged for creating awareness on sending money through official channels; (b) in the local newspapers abroad that are popular among non-resident Bangladeshis, regular advertisement regarding various official methods of sending remittances need to be published. As this is a costly method of advertising, joint initiatives by with commercial banks would be instrumental; (c) television commercials needs to be telecasted regularly on the satellite television channels of Bangladesh that are viewed from abroad by the Bangladeshis diaspora. It is of note that the timing of these advertisements need to take into account the time zone differences of the target countries.

Facilities at the airports in Bangladesh: Priority basis facilities could be provided to Bangladeshi diaspora members at the airport depending upon them showing official documentation of having sent remittance through formal channels and/or having investments in Bangladesh. Incentives can be varied in terms of the made contribution to Bangladesh, but minimum facilities need to be ensured to all diaspora members. Certification of Important Bangladeshi diaspora could be instrumental in this regard.

5.2.3 Revenue gain through tourism by Bangladeshi diaspora members in Bangladesh: Diaspora tourism is likely to have a developmental impact. In some countries, a major portion of revenue from tourism comes from diaspora members (e.g., 70 per cent of the tourists arriving in Haiti are Haitian-born or of Haitian origin). Through proper advertisements, Bangladeshi diaspora members (especially second generation Bangladeshi diaspora) could be attracted to visit Bangladesh as tourists. In this regard, the Ministry of Civil Aviation and Tourism, particularly the Bangladesh Parjatan Corporation, needs to work actively on attracting such diaspora visitors.

5.3 Regarding productive investments by Bangladeshi diaspora members

Facilitation of business and trade networks: Bangladeshi diaspora members can contribute to national development by facilitating business and trade networks between Bangladesh and their host countries. The Ministry of Commerce and trade bodies of Bangladesh (including bilateral trade bodies) need to be incorporated actively in this process. It is argued that the presence of a diaspora is often associated with higher bilateral trade flows. It is of note that the most direct form of a diaspora business network is when the diaspora itself is a prime market for the exports of home country goods (popularly termed “ethnic trade” or “nostalgia trade”). It is also of note that if Bangladeshi exporters are successful in exploiting the diaspora market, they can move beyond to other markets. The Bangladeshi diaspora represents a major export market allowing the diversification of home country exports.

Promoting business ventures in Bangladesh: It has been found that the attitude of Board of Investment officials is not investor friendly, and the process is very time consuming. Thus, it is difficult to attract investment money from the Bangladeshi diaspora. This issue needs to be taken into consideration.

Promoting bonds for non-resident Bangladeshis, including the diaspora: To promote Bangladeshi bonds, the following measures are recommended:

(a) road shows;

(b) publishing of advertisements in local dailies overseas;

(c) television commercials on Bangladeshi satellite television channels that are viewed overseas; and

(d) the commercial banks now enjoy a profitable percentage on the total sales of the bonds (earlier, it was only a fixed amount on the sale of each bond). Still the banks are not particularly interested in selling these government bonds; rather, they prefer to promote their own products. This being the case, the government could persuade as well as enforce (in the form of fixing a sales target) the commercial banks to promote these instruments. Promotion of advantages of the Sovereign Bonds vis-à-vis other bonds is likely to attract investors.

Incorporating the Bangladeshi diaspora in development activities in Bangladesh: Every dollar sent by a Bangladeshi diaspora member for local development project(s) in Bangladesh initiated and managed by the local government authority could be matched by the Government of Bangladesh. Such initiatives would create opportunities for diaspora members to contribute to the local development of the area they come from and help maintain their ties with their country of origin.

5.4 Regarding utilization of the Bangladeshi diaspora knowledge network

Bangladeshi diaspora members can serve as "brain banks" abroad. When properly organized, the diaspora can become a "source of knowledge sharing and technology transfer with their home country" (UNCTAD, 2012, p. 106). A number of efforts to establish Bangladeshi diaspora knowledge networks have not been successful in creating synergies with other initiatives or ensuring continuity. The multiplication of initiatives and the lack of coordination among them result in the dispersion of resources. Active coordination needs to be ensured. Embassies of Bangladesh abroad and associations of Bangladeshis abroad need to work in a coordinated process in this regard.

Bangladeshi diaspora knowledge networks, if organized properly, could play major role in linking local research capacity and local systems of production with global knowledge and production systems.

5.5 Others

Making Bangladesh missions and labour wings accountable: Foreign missions and labour attachés must perform their roles with commitment and diligence to increase contributions from the Bangladeshi diaspora for the development of Bangladesh. Efforts should be made to professionalize labour attaché mechanisms. The foreign missions should play an active role in addressing complaints of corruption made by diaspora members as well play an active role in mobilizing diaspora resources for Bangladesh's benefit.

Database and website: Registration of Bangladeshi nationals by the foreign missions needs to be initiated and database of registered national updated regularly. This is indeed a rigorous task, but needs to be started with best possible efforts and commitment. This initiative should be backed up by promotion of social and professional online and in-person networking among diaspora members. Such registration should be linked up with employers' and investment organizations in Bangladesh.

Dual nationality: The process of getting a Dual Nationality certificate is difficult, troublesome and time consuming, making it difficult for diaspora members to forge stronger ties to Bangladesh. There are also legal debates on the dual nationality issues in Bangladesh. These issues require attention and solutions to enhance the contribution from the Bangladeshi diaspora.

Voting rights of Bangladeshi diaspora members: Bangladeshi diaspora members are willing to cast their votes and the provision for postal voting exists. But, due to resource constraints, this process is not being expedited by the relevant government authorities. In addition, a recent reform by the Election Commission stipulates that in order to vote the person has to be present in the country during the voters' registration, making it more difficult to vote abroad. All these issues need to be taken into serious consideration by policy-makers.

Engagement of famous/notable Bangladeshis as "goodwill/country ambassadors": The Bangladesh government can engage a number of prominent Bangladeshis (artists, successful entrepreneurs, scientists, etc.) to serve as "goodwill/country ambassadors" who will seek out investment (especially investment in socio-economic development, transfers of knowledge, and philanthropic opportunities from Bangladeshi diaspora members. These ambassadors can also motivate the diaspora to extend its support role in assisting temporary migrant workers (both documented and undocumented).

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Annex 1

List of key informants and organizations

List of organizations who assisted in holding focus group discussions:

1. Ovibashi Karmi Unnayan Program (OKUP).
2. Welfare Association of Repatriated Bangladeshi Employees (WARBE).

List of key informants

Experts (in alphabetical order):

1. A.K.M. Azizur Rahman (Deputy General Manager, Debt Management Department, Bangladesh Bank).
2. Asjadul Kibria (Business Page Editor, Daily Prothom Alo).
3. B.M. Sobur Uddin (Joint Director, Debt Management Department, Bangladesh Bank)
4. Farasath Ali (Chairman, NRB Commercial Bank Ltd.).
5. Joydev Chandra Banik (Deputy Director, Strategic Planning Unit, Central Bank Strengthening Project Cell, Bangladesh Bank).
6. Md. Bayazid Sarker (Deputy Director, Banking Regulation & Policy Department, Bangladesh Bank).
7. Md. Masud Biswas (General Manager, Foreign Exchange Policy Department, Bangladesh Bank).
8. Md. Mostafizur Rahman Sarder (Deputy General Manager, Research Department, Bangladesh Bank).
9. Md. Nurul Islam, PhD (Director-Training Standard and Planning, Bureau of Manpower, Employment and Training-BMET).
10. Md. Shafiul Alam (Deputy Director, Foreign Exchange Policy Department, Bangladesh Bank).
11. Muhammad Shahriar Iqbal (Assistant Director, Foreign Exchange Policy Department, Bangladesh Bank).
12. Shariful Hasan (Senior Reporter, Daily Prothom Alo).
13. Syed Mahbub Elahi (Chairman, Ovibashi Karmi Kallyan Foundation-OKKAF).

Members of the Bangladeshi diaspora:

Canada
Amit Asghar, Software developer, Toronto.

German
Anisuzzaman Heck, Business, Stuttgart, German.

Italy
Bulbul Chowdhury, Entrepreneur, Bologna.
Haque Rabiul, Electrician, Italy.
Kabir Almas, Car Mechanic. Bologna.
Md. Al-amin, Entrepreneur, Bologna.
Sk. Sultan Ahmed, Marketing Officer, Bologna.

Portugal
Abdur Razzak Khan, Grocery shop owner, Lisbon, Portugal.

United Kingdom
Dr Abdur Rahim, Consultant Anesthesiologist of NHS, Central London.
Dr Abdus Salam, Retired Physician, Eastbourne, East Sussex.
Farida Yesmin Steffan, Service holder, Barking, East London.
Kazi Akbar Hossain, PhD, Teacher, Balham, Greater London, UK.
Md. Lutfor Rahman, Restaurant owner, London.
Dr M A Wazed, Consultant Rheumatologist of NHS, St Albans, London.

United States of America
Abul Hussam, Professor of Chemistry and Biochemistry, George Mason University, Centreville.
Ismat Esrar, Sr. Environmental Engr., Edmond, Oklahoma.
Fowzia Ria, Sales Attendant, Edmond, Oklahoma.
Mobashshera, Sales Attendant, Begum, Bronx New York.
Nurul Azam, CEO, FinEngine, Naperville, Illinois, USA.
Parvin Shimu, Sales Attendant, Bronx, New York.
Ratul Esrar, Student, The University of Chicago, Chicago, Illinois.

Reinforcing ties

Enhancing contributions from Bangladeshi diaspora members

The ability of the Bangladeshi diaspora to adapt and become an integral part of their host community often makes people in Bangladesh feel that as their diasporas age and take root in the host countries, their contribution to the country of origin declines. Findings from this study suggest that this perception has been wrong. With enormous progress taking root across Bangladesh, the country has witnessed eagerness of its diaspora to be a part of it. Bangladeshi diaspora is uniquely positioned to contribute to boosting not only economic growth but also prosperity in other forms. Bangladeshi diaspora has been making significant contributions in development of information communication technologies, promotion of education and training, and bringing some life-changing and quality enhancing innovations to Bangladesh.

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