

4. Beyond remittances in Bangladesh

Category: Diaspora and migrants' action on job creation, enterprise, investment and public policy

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Migration is a common phenomenon, ever since the dawn of civilisation. Globalisation and the market economy have enhanced the process of migration in recent decades. The movement of people across international borders has enormous implications for growth and poverty alleviation in both origin and destination countries.

According to the United Nations, more than 230 million people were living outside of their countries of birth in 2013. Over 700 million migrate within their countries. In the coming decades, demographic forces, globalisation and climate change will increase migration pressures both within and across borders.

Migration has a multifarious impact on the socio-economic and political scenario of both the country of origin and country of destination. Remittances generally reduce the level and severity of poverty and lead to: higher human capital accumulation; greater health and education expenditures; better access to information and communication technologies; improved access to formal financial sector services; enhanced small business investment; more entrepreneurship; better preparedness for adverse shocks such as droughts, earthquakes, and cyclones; and reduced child labour.

A study by MADE and the African Diaspora Policy Centre reveals that migration is increasingly seen as having important positive contributions to development. Over the decades, the contribution of migration to development has been seen through the positive effects of diaspora and migrant remittances on the well-being of families in countries of origin.

In Bangladesh, there are two types of migrants. Firstly, the temporary migrants who come to Bangladesh for labour purposes, often originating from Gulf countries. Secondly, there is the Non-Bangladeshi Resident (NRB). We don't often use the word 'diaspora', but this is what the term refers to, about Bangladeshis living most commonly in the US, UK and Canada. Around 10 million Bangladeshis are living abroad. An article in the Wall Street Journal in 2015* estimated they sent around \$14 billion in remittances to Bangladesh annually, according to a source from Bangladesh Bank, the country's central bank.

Within two years, our organisation linked 1200 migrants with a bank and microfinance institutions and loan systems. We also have a government-backed 'migrants welfare bank', which provides loans to migrants in other countries.

The Bangladeshi government has some good policies around migrants, but implementing the policies is difficult, and there is a necessity for more neutral organisations to facilitate questions such as; how do we mobilise migrant money for the good of the economy? For example, we have a good potential for SMEs.

Various studies have shown that the Non-Bangladeshi Resident (NRB), or diaspora, are more interested in investing in philanthropic schemes. Their next area of business interest is in fixed assets, such as real estate, hotels or commercial shopping malls. Temporary migrants, or returnee migrants, do tend to focus their investment in small businesses.

[*http://blogs.wsj.com/frontiers/2015/09/30/non-residents-banks-channel-diaspora-investment-to-bangladesh/](http://blogs.wsj.com/frontiers/2015/09/30/non-residents-banks-channel-diaspora-investment-to-bangladesh/)