International
Labour
Organization

Migrant Welfare Funds:

Lessons for Myanmar from Nepal, Thailand and the Philippines

International Labour Organization
Liaison Office in Myanmar

Copyright © International Labour Organization 2021

First published 2021

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Licensing), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: rights@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with a reproduction rights organization may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

Migrant Welfare Funds: Lessons for Myanmar from Nepal, Thailand and the Philippines

ISBN: **9789220349069 (Print)**
ISBN**: 9789220349076 (Web PDF)**

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

Information on ILO publications and digital products can be found at: www.ilo.org/publns.

Printed in Myanmar

Contents

Page

Abbreviations

COD	Country of destination
COO	Country of origin
DOE	Department of Employment (Thailand)
ECP	Employees' Compensation Program (Philippines)
ECC	Employees' Compensation Commission (Philippines)
FEWF	Foreign Employment Workers' Fund (Nepal)
FEA	Foreign Employment Act (Nepal)
FER	Foreign Employment Rules (Nepal)
FEB	Foreign Employment Board (Nepal)
ICT	Information communication Technology
IT	Information technology
ILO	International Labour Organization
MWF	Migrant welfare fund
NPR	Nepali rupee
ODWs	Occupationally-disabled workers
OEC	Overseas Employment Certificate
OFWs	Overseas Filipino workers
OWWA	Overseas Workers Welfare Administration (Philippines)
Pag-IBIG	Home Development Mutual Fund (Philippines) (Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industria at Gobyerno)
PhilHealt	Philippine Health Insurance Corporation
PHP	Philippine peso
POEA	Philippine Overseas Employment Administration
SSS	Social Security System (Philippines)/ Social Security Scheme (Nepal)
THB	Thai baht

Foreword

The *ILO [World Employment and Social Outlook: Trends 2021](#)* (WESO Trends) recently published reports that the Covid-19 pandemic has hit the most vulnerable workers hardest by making pre-existing inequalities worse. The lack of social protection for these workers has resulted in the loss of incomes and livelihoods for many in the informal sector.

Migrant workers are often dependent on the countries of destination for social protection and in these difficult times are facing increasing hardships. The pandemic has highlighted the need to develop a range of social protection measures to provide additional support to migrant workers. Some countries of origin have developed migrant welfare funds to supplement social security and provide for situations unique to migrants which may not be covered by the normal range of benefits. This paper describes the development, administration and implementation of migrant welfare funds in three Asian countries: Nepal, the Philippines, and Thailand. Each fund has its strengths and its challenges and no one size fits all. The paper should serve as a resource for those working with migrant workers to discuss possible avenues to provide greater social protection to Myanmar migrant workers overseas in the future.

I would like to thank Ms Reena Arora, the consultant who developed the paper in late 2020 with the help of the ILO Offices in Nepal, the Philippines, and Thailand. I especially extend my gratitude to the officials who shared their knowledge and insight of migrant welfare funds to make this paper informative and helpful to Myanmar. Special thanks go to Dr Thaneshwar Bhusal, Under Secretary, Foreign Employment Management Section, Ministry of Labour, Employment and Social Security, Nepal; Ms Suchitra Kachornkidakarn, Director, Overseas Employment Administration Division, Department of Employment, Ministry of Labour, Thailand; and from the Philippines, Mr Jay Teves of Advocacy Division, Ms Joyce Dalisay of Planning Division, Ms Stella Banawis, Director, Employee's Compensation Commission (ECC), Ms Chona Yap, Senior Manager of the Overseas Filipino Program, PhilHealth, and Alexander Aguilar, Deputy CEO of Member Services Cluster, Pag-IBIG Fund.

I sincerely hope that all migrant workers are safe and protected, have access to social security systems, and are included in social assistance packages during this current crisis and that this paper will provide useful guidance for the development of supplementary social protection for Myanmar migrants in the future.

Donglin Li, Liaison Officer, ILO Myanmar

Migrant Welfare Funds: Lessons for Myanmar from Nepal, Thailand and the Philippines

Executive summary

While international migrants worldwide contribute to the economies of their host and home countries, they are often excluded from adequate social protection coverage (ILO, 2020). Migrant workers face major legal and practical obstacles in accessing social protection benefits. The International Labour Organization (ILO) actively promotes policies and provides assistance to countries to help extend adequate levels of social protection to all workers. Social protection floors should comprise at least the following basic social security guarantees: [1]

(a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;

(b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;

(c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and

(d) basic income security, at least at a nationally defined minimum level, for older persons.

The provision of social security for Myanmar migrants overseas is most generally in the hands of the receiving country and is thus dependent on different sets of rules and regulations regarding eligibility, access, scope of benefits, and portability. This can leave migrant workers in precarious situations in terms of social protection, and some countries have responded by developing migrant welfare funds to partially fill this gap. The Myanmar National Plan of Action on the Management of International Labour Migration (2018-2022 – NPA), states that the Government of Myanmar will consider the establishment of a welfare fund for Myanmar migrant workers and their families in order to enhance their welfare and protection.

This policy brief on migrant welfare funds draws on the experiences and case studies of the migrant welfare funds established in three other Asian countries in order to provide guidance for the development of a fund in Myanmar. It also studies the feasibility of developing such a fund in Myanmar that is sufficiently tailored to the specific context of the country. To draft the brief, ILO Myanmar conducted a desk review and interviewed government officials in Nepal, Thailand and the Philippines who are responsible for the administration of their funds or of other social protection programmes for their overseas workers. The paper builds on the ILO Policy Brief: Establishing Migrant Welfare Funds in Cambodia, Lao PDR and Myanmar (2015). [2]

The governments of these three countries have extended basic protection for their nationals abroad while continuing to negotiate agreements with countries of destination (COD) to ensure their nationals receive access to social protection and/or inclusion in social security schemes in the destination countries. (UNDESA, 2018, p. 91). Migrant welfare funds are generally government-operated by the

[1] ILO, Social Protection Floors Recommendation, 2012 (No. 202), para. 5.

[2] Policy Brief Issue No. 3. https://www.ilo.org/asia/WCMS_421193/lang--en/index.htm

country of origin (COO) and may be financed by contributions from the government, migrants, recruitment agencies, and the private sector, including employers in countries of destination.

The Nepali migrant welfare fund, referred to as the Foreign Employment Workers' Fund (FEWF) was established in 2008. Over the decade since its inception, Nepal has collected contributions from 4 million Nepali migrant workers. The contributions are collected when migrants receive their labour approval to migrate overseas. Reports in 2020 state that the fund currently holds US$ 50 million. An individual worker's contribution is US$ 13. Since its establishment, 90 per cent of benefits distributed from the fund were given to the families of deceased migrant workers. Recent changes allow families to apply for compensation from local offices (there are 753 across Nepal), and to receive compensation direct in their personal bank accounts, improving the efficacy of the process. Because there is currently no option available for migrants who stay longer than their initial two- or three-year contract (after receiving labour approval and leaving Nepal) to renew their membership, the Board that administers the fund plans to enable embassies in the countries of destination to process renewals. One feature of the fund is that, along with contributions from migrant workers, it places the interest accrued from the security deposits of recruitment agencies into the fund. The fund is also used to provide legal assistance to Nepalis working in the top ten countries of destination by hiring local lawyers in each country to represent them in cases of labour disputes. The COVID-19 pandemic has also prompted the Board to utilize the funds for reintegration programming, including providing loans for entrepreneurship ventures and psycho-social counselling.

The Thai migrant welfare fund (for Thai nationals overseas), referred to in English as the Fund for Job-Seekers Working Abroad, was established in 1985. Since its establishment, two statutory amendments (in 1994 and 2001) and an updated ministerial regulation (in 1995) have expanded the original benefits; offered voluntary membership/contribution; extended benefits to the families of migrant workers; extended the duration of eligibility for benefits; and adjusted the amount of contributions and benefits. The workers' current contribution is a one-time fee between US$ 10 and US$17, depending on the country of destination. It covers the worker for the first two years of their employment contract abroad and an additional five years should they choose to stay in the country of destination afterwards. Once nationals have paid into the fund they are protected even if an accident or death happens in Thailand before leaving. Thailand offers a wide range of benefits to its nationals, including a maintenance allowance in situations of crisis and medical expenses for illness in the country of destination. However the system of filing for claims can be complex and requires submission of numerous documents, which can make the benefits less accessible, particularly for family members of deceased migrants.

The migrant welfare fund in the Philippines is part of the Overseas Workers Welfare Administration (OWWA) and was established in 1977. The Philippines is often considered a model for providing social protection to its nationals working abroad. In addition to OWWA, the Philippines currently requires Overseas Filipino Workers (OFWs) to participate in national universal health insurance, the national savings scheme and the home loans programme, as well as the national social security system, which includes coverage of benefits for employment-related injuries or illnesses. OWWA's Fund in 2017 was worth around US$ 405,200,000. There are currently 2.5 million active OWWA members as well as an estimated 4.2 million OFWs who are considered temporary migrants (not including undocumented migrants). OWWA requires that recruitment agencies that arrange for Filipinos to work abroad collect the US$ 25 contribution from the employer in the country of destination, and offers other OFWs the option of voluntary contribution and membership. Since its establishment, OWWA has undergone several changes to improve its administration and offers a wider range of programming and benefits. OWWA is now present in 34 posts worldwide and 17 regional offices across the Philippines

The Philippines fund offers extensive benefits and programming, particularly for dependents of OFWs, including scholarships, as well as reintegration initiatives, offering both logistical and financial support to OFWs to establish livelihoods upon return home. Ensuring that OFWs renew membership and continue contributing while abroad can be challenging for OWWA, and can frustrate efforts by the three national social protection programmes endeavouring to treat OFWs on an equal footing with nationals in the country. These are the Philippine Health Insurance Corporation (PhilHealth), the National Savings and Housing Loan Program (Pag-IBIG fund), and the Social Security System (SSS). Payments to each agency are made separately, and while some have adopted digital platforms, there are still considerable administrative hurdles that potentially act as a disincentive to continuing participation by OFWs.

The case studies of Nepal, Thailand, and the Philippines offer lessons for the development of a migrant welfare fund in Myanmar. Those three countries have incrementally and progressively implemented the programming and expansion of benefits over time, making changes to the administration, scope and level of benefits and types of services it offers. A welfare fund in Myanmar could aim to offer basic benefits initially and plan for longer-term goals as the funds increase over time and following evaluations of the efficacy of the fund and the needs of the workers. The funds in Nepal, Thailand and the Philippines are all established by law, with explicit statutory authority granted to agencies to administer the fund, clear outlines of the objectives of the fund, and a defined composition of its governing body (Board). Nepal and the Philippines have guaranteed the representation of former migrants as well as women on their Boards. With the establishment of any fund, it is important to build trust among the country's nationals by ensuring transparency. Myanmar should also consider following the practice of Nepal which engages in regular studies to amass data and analyse trends in the fund, which they publish as public reports that can lead to initiatives for improvement. Myanmar should also consider establishing a fund by law, incorporating provisions into the amended 1999 Law Relating to Overseas Employment (LROE) while also seeking the inclusion of men and women migrants in the design, development and management of a fund.

The Nepali, Thai and Philippines migrant welfare funds require a fairly low monetary contribution paid by the migrant or the employer. Myanmar could also consider other sources of funding in order to keep the contribution affordable. This could include the interest gained from the deposit the government holds from licensed recruitment agencies, as Nepal does. Myanmar could also seek assistance to develop the initial capital to start the fund from international donors or the local private sector, and invest part of this money – as was done in the Philippines – to generate returns that help sustain the fund. Both the Thai and Philippines migrant welfare funds allow voluntary membership and contributions, which for OFWs can be paid in the country of destination even if they have not migrated through a recruitment agency. This could be a very beneficial feature of any welfare fund, as it increases the overall level of contributions and reaches a broader base of people in need of protection. In order to incentivize voluntary contributions, information campaigns concerning the purpose and benefits of the fund could be combined with other existing efforts to promote safe migration and campaigns to regulate workers abroad. Myanmar could also design a programme that at the outset incorporates electronic and digital tools to facilitate accessibility and avoid the difficult transition that Nepal, the Philippines, and Thailand face.

Myanmar has structures and procedures that could be developed to establish and administer a migrant welfare fund. Under the LROE, a management and a supervisory committee are already established. Alternatively, the Social Security Board which is incrementally expanding coverage of social security could establish and manage or co-manage the fund.

The multi-sectoral technical working group which oversees the implementation of the NPA could provide advice and guidance on the scope of benefits provided under the fund.

All workers going overseas from Myanmar are required to register at a local Labour Exchange office to receive a Jobseekers Card and at specified Labour Exchange offices to receive an Overseas Workers Card (commonly known as the smart card). As in the case of Nepal, contributions to the fund paid by migrants could be collected at this point or by the overseas employment agencies. The large number of migrant workers already overseas, if encouraged to participate – or the employers of the workers required to participate – could result in the fund starting with substantial capital, enabling a limited number of benefits to be available immediately. Establishing a fund for Myanmar is therefore understood to be feasible if backed by policies promoting transparency and tackling corruption, and involving extensive public campaigns both in Myanmar and overseas to promote the fund. Key stakeholders have an opportunity to learn from the examples of other countries, adapting good practices and gaining insight from their experiences.

Recommendations

The following recommendations with regard to setting up migrant welfare funds and other methods of extending social protection are proposed:

1. Define by statute the fund's purpose and the composition of the entity charged with administration of the fund. According to the ILO Multilateral Framework for Labour Migration, MWFs should be used to assist migrant workers and their families, for example, in the case of illness, injury, repatriation, abuse or death. If the fund is largely established by contributions by migrant worker members, the fund should be viewed as owned by its members rather than the government (Ruiz et al., 2008, p. 4). The government should ensure that such an institution includes adequate tripartite representation on its Board, including women and men migrant returnees. There should also be mechanisms for consulting a broad base of members in policy formulation and coordination. Permitting the fund to be governed by a tripartite body is a possible best practice with regular consultations of key stakeholders.
2. Design a long-term growth plan for the fund that prioritizes the types of services to be offered and which are possible with available financial resources and capacity for implementation at the start and gradually expanded. Core services may include those that address the risks migrant workers face in countries of destination where local social security schemes may not provide coverage or sufficient coverage, while services that help migrant workers before and after departure and their families at home, may be added in later stages.
3. Engage in widespread and far-reaching information campaigns to raise public awareness of the fund and its benefits. Ensure information is easily available online, via tools regularly used by migrants, such as Facebook. Take actions to build public trust in the fund, including systems for transparency and anti-corruption mechanisms, including a whistle blower policy.
4. Integrate the welfare fund as part of a broader migrant management system or social security system. Utilize embassies and consulates abroad to offer services to migrants on-site. Provide assistance in partnership with existing labour attachés and counsellors in countries of destination. Ensure that migrants and their families can receive consular support to obtain any necessary documentation to receive benefits, such as a death certificate and required translations.
5. Consider partnerships with the private sector and non-governmental organizations that may ensure efficient and more cost-effective service delivery. The government can contract with partners while ensuring oversight.
6. Develop overall quality assurance mechanisms to ensure that the services provided meet the welfare needs of the migrants. This includes a complaints mechanism where migrants are not able to receive benefits as expected, regular auditing, as well as research and studies to analyse the effectiveness of the fund. All such information should be made public to promote transparency and also prompt improvements.

7. Offer voluntary membership of the fund so as to ensure the widest possible inclusion of migrants in the fund and increase its resources. Voluntary membership should be combined with widespread education on the benefits of the fund to encourage voluntary contributions.

8. Offer simple and streamlined procedures for application to join the fund, pay contributions and make claims benefits. Collect adequate information at the onset of the process from migrant workers before departure, and allow them to name legal beneficiaries or authorize family members to receive benefits on their behalf. Assign the government the responsibility to initiate contact with beneficiaries in cases where the embassy is notified of death and to assist in applications for benefits. Limit the documentation requirements as to ensure that benefits are easily accessible by simplifying the requirements necessary to protect against actual threats of fraud.

9. Utilize information and communications technology (ICT) to offer electronic services, including the development of apps (applications) for smart phones, and direct bank transfers.

10. Offer services within regional or local districts for returnees and their families.

1. Introduction

With global acknowledgement that international migrants contribute to the economy and development of both countries of origin and countries of destination, there is recognition of the need to ensure the social protection of international migrant workers. According to the International Labour Organization (ILO), state-guaranteed national social protection floors should comprise at least the following basic social security guarantees: [3]

(a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality

(b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services

(c) basic income security, at least at a nationally defined minimum level, for persons of active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability

(d) basic income security, at least at a nationally defined minimum level, for older persons.

These forms of social protection are provided for by two main state-led systems:

- "social insurance/social security," financed by employer/employee contributions with government subsidies in some cases
- "social assistance," funded by general taxation, which ensured everyone is over a nationally defined income/welfare threshold.

Because governments in many countries of origin have limited financial resources but a wide range of populations in need of social protection, migrant workers living overseas may not be viewed as a priority. To address this situation, some countries of origin, particularly in Asia, have established migrant welfare funds (Ruiz et al., 2008, p. 4). The ILO defines a Migrant Welfare Fund (MWF) as a self-sustaining mechanism that enables the governments of countries of origin to provide additional welfare benefits and services to their workers in the countries of destination, using a fund grown from the initial capital investments of foreign employers, recruitment agencies and/or migrant workers (ILO, 2015, pp. 1-2). The funds may be used in a variety of ways, for example to support both programming and services for pre-departure orientation and reintegration, to provide benefits in terms of compensation in the event of the death or disability of a migrant worker, and emergency repatriation in times of crisis (UNDESA, 2018, p. 91). They may also be used to fill gaps in the social security coverage of the countries of destination.

This brief reviews the Migrant Welfare Funds of three Asian countries: Nepal, Thailand, and the Philippines, and specifically examines: 1) the fee structure and fund management; 2) benefits available in country of origin; 3) benefits available in the country of destination; 4) staffing and operational management of the MWF; 5) mode of service delivery for members; and 6) areas for possible improvement mentioned by government officials in the respective countries overseeing the funds. It then evaluates the good practices of the fund and assesses the feasibility of developing and implementing a MWF in Myanmar.

ILO Myanmar conducted a desk review of available literature on migrant welfare funds to select the countries for case studies and to develop a questionnaire for government officials from the departments

[3] ILO, Social Protection Floors Recommendation, 2012 (No. 202), para. 5.

overseeing the funds. Online interviews were conducted in November 2020 with representatives of the following agencies:

- Foreign Employment Management Section, Ministry of Labour, Employment and Social Security, Nepal
- Overseas Employment Administration Division, Department of Employment, Ministry of Labour, Thailand
- Overseas Workers Welfare Administration, Department of Labor and Employment, Philippines
- Philippine Health Insurance Corporation (PhilHealth), Department of Health, Philippines
- Employees' Compensation Commission (ECC), Department of Labor and Employment, Philippines
- Pag-IBIG fund – Home Development Mutual Fund (Philippines).

For the feasibility analysis, ILO Myanmar submitted questionnaires to the Department of Labour and the Social Security Board of the Ministry of Labour, Immigration and Population, who responded in writing.

The case studies primarily draw on information obtained in the interviews and incorporate supplemental desk research.

2. Nepal case study [4]

The Nepali migrant welfare fund, referred to as the Foreign Employment Workers' Fund (FEWF) was established in 2008. In the decade since its inception Nepal has collected contributions from 4 million workers. [5] Contributions are collected at the point where labour approval is issued to migrants going overseas. An individual worker's contribution is currently US$ 13. [6] A 2020 report issued by the Government of Nepal notes that it lacks clear data on the current numbers of Nepali migrants. The 2011 census estimated that around 1,921,494 Nepali were considered to be absent from Nepal, approximately 7.3 per cent of the population. Nepal issued 354,098 labour approvals in 2017/18 and 236,208 in 2018/19. Only 8.5 per cent of labour approvals in 2018/19 were for women migrant workers. In 2020 it is estimated that the fund currently holds NPR 6 billion (US$ 50 million).

Nepal currently views the dissemination of benefits to the families of deceased migrant workers as the greatest strength of the FEWF. Since its establishment in 2008, some 90 percent of the benefits distributed from the fund have been to the families of deceased migrant workers. In recent years, eligible beneficiaries can apply for compensation at the local level in Nepal, [7] and families receive benefits from

[4] This case study is primarily drawn from: phone interview with Thaneshwar Bhusal, PhD, Under Secretary, Foreign Employment Management Section, Ministry of Labour, Employment and Social Security, 11 Nov. 2020 and Government of Nepal, Ministry of Labour, Employment and Social Security. Nepal Labour Migration Report 2020 (Kathmandu). Available at: https://moless.gov.np/wp-content/uploads/2020/03/Migration-Report-2020-English.pdf

[5] This number does not include 58,709 workers sent to the Republic of Korea through government-to-government recruitment, or Nepalis who work in India.

[6] All conversions from local currencies, (Nepali rupee (NPR), Thai baht (THB), and Philippines peso (PHP) to US dollars (US$)) were calculated at the time of writing (November 2020).

[7] Nepal is divided into seven provinces, 77 districts and 753 local levels (including six metropolises, 11 sub-metropolises, 276 municipalities and 460 gaunpalikas (rural municipality)). These 753 local units are known as the local level in Nepal.

the fund through direct transfers to their personal bank accounts, which streamlines the process. The current death benefit amount is US$ 6,156. In the past five years, family members of 4,143 deceased migrants have received financial compensation.

One shortcoming of the fund is that migrants who wished to stay in the country of destination longer than their initial two- or three-year contract (after receiving labour approval and leaving Nepal) do not have the option to renew their membership and pay an additional contribution. This came to a head in 2020 as a result of the COVID-19 pandemic, which left 120,000 Nepali workers stranded abroad with no available repatriation assistance. The Supreme Court ordered the fund to pay for their repatriation, but the governing Foreign Employment Board said that to do so for non-members would contravene the rules of the fund. In response the Board plans to allow embassies in the countries of destination to process membership renewals by collecting an additional NPR 1,500 (US$ 13) from the workers.

Nepal deposits the interest accrued from the security deposits of recruitment agencies collected by the government into the fund, supplementing the contributions made by migrant workers. Another strength of the Nepali fund is that it has hired local lawyers in the top ten countries of destination to assist Nepali workers in cases of labour disputes or legal violations by employers. In response to the high numbers of Nepalis returning due to COVID-19, Nepal is also considering utilizing the fund for a variety of reintegration programming, including entrepreneurship loans and psycho-social counselling.

The government launched a contribution-based Social Security Scheme (SSS) in November 2018 but has yet to explore the possibilities of including migrant workers in it.

2.1 Fee structure and fund management

The Foreign Employment Workers' Fund (FEWF) is established pursuant to the Foreign Employment Act (FEA), 2007 (2064) [8] and governed by the Foreign Employment Rules (FER), 2008 (2064). [9] The Ministry of Labour, Employment and Social Security regularly issues migration reports to comprehensively examine issues pertaining to labour migration governance. The *Nepal Labour Migration Report 2020* ("2020 Nepal Report") [10] evaluates the years 2017/18 and 2018/19, with a dedicated subchapter: "Compensation through the Foreign Employment Welfare Fund: A review."

According to the 2020 Nepal Report, the Fund is financed by contributions from multiple sources including –

- individual contributions by outgoing migrant workers: for two-year contracts of employment - 1,500 rupees (NPR) (US$ 13); three years – NPR 2,500 (US$ $21)
- interest accrued from the security deposits of recruitment agencies [11]

[8] http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/78258/99780/F203207605/NPL78258%202.pdf

[9] The Under Secretary of the Foreign Employment Management Section in interview mentioned that there are currently twelve by-laws and working procedures, but there is some inconsistency between them.
https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/95077/111803/F2006184373/NPL95077%20Eng.pdf

[10] https://moless.gov.np/wp-content/uploads/2020/03/Migration-Report-2020-English.pdf

[11] According to the FER (para. 25), "the Department shall deposit seventy-five per cent amount of the cash deposit received pursuant to licensing for recruitment agencies (Sub-section (2) of Section 11 of the FEA in a fixed account to be opened with a commercial bank and the interest accrued from the amount deposited in the fixed account (pursuant to Sub-rule (1)) shall be paid to the Fund".

- part of the fees accrued from the issue and renewal of the licences of recruitment agencies' training institutions
- funds received from foreign employment-related business
- grants and assistance from Nepali and foreign individuals and organizations.

These are the same sources stipulated in the FEA (para. 32), but the 2020 report does not provide a breakdown of the financing provided by each source. The fees from workers are collected by the Department of Labour before it issues the labour approval which all migrants must obtain in order to work overseas.

As at November 2020, more than NPR 6 billion (US$ 50 million) are held in the Migrant Worker's Welfare Fund (Prasain et al., 2020).

2.2 Benefits available on return to country of origin

The 2020 Nepal report states that while the fund is utilized for a "wide range of activities to make labour migration safe and productive – skills development and orientation training targeted to migrant workers," the compensation benefits are primarily made to families of deceased migrant workers and workers who sustain injuries or develop grave illness.

Survivors benefit

Financial assistance of NPR 700,000 (US$ 6,156) is available to the immediate family members of the deceased migrant workers. The FEWF is also used to provide scholarships to the children of deceased migrant workers for education up to the higher secondary level. If an application is not made within the year after the death, families may still receive NPR 25,000 (US$ 220).

Employment injury benefit

Financial assistance of up to NPR 700,000 (US$ 6,156) depending on seriousness of the injury is available to migrant workers who are seriously injured or disabled (a one-time benefit).

Due to the COVID-19 pandemic in 2020 nearly 120,000 Nepalis were stranded abroad, according to news reports and a case filed before the Nepali Supreme Court, but were unable to seek assistance from the fund for repatriation. Because paragraph 33 of the FEA authorizes use of the foreign employment welfare fund for repatriation of Nepali workers who are stranded, in June 2020 the Supreme Court issued an interim order to the government to use the fund to repatriate the Nepali workers (Prasain et al., 2020). However, the position of the Foreign Employment Board was that those migrants who continue to work abroad past the initial two- or three-year contracts (without return to Nepal) are no longer members and are ineligible for benefits from the fund. The Board's Executive Director Rajan Shrestha stated: "This is a contributory fund tied to welfare programmes such as compensation to the families of migrants who die abroad or disability compensation to injured migrants. The budget is limited, and it needs to be supplemented with funds from other line ministries, development partners or the private sector. The [Supreme Court interim order] has opened the way for us to coordinate with partners to provide services to undocumented returnees ineligible for the Foreign Employment Welfare Fund, who may need the most support in reintegration. But we need to hit the ground running fast and test it on a pilot basis."

Death benefits

The 2020 report states that since 2008 over NPR 2.25 billion (US $19.8 million) has been disbursed as compensation for disability or death, and 90 per cent was distributed to families of deceased migrant workers. This was confirmed in an interview with the Under Secretary of the Foreign Employment Department, who stated that the service delivery of benefits to families of deceased migrant workers is the most effective operational aspect of the fund. The FEWF also covers the costs associated with delivering the remains of the deceased from Kathmandu airport to their homes.

According to the 2020 Nepal Report, natural death is the most common reported cause of death, followed by cardiac arrest (which is not classified as a natural death), traffic accidents, suicide and workplace accidents. The report notes, that "[a] high share of deaths is not attributed to any specific cause, which has remained an issue of grave concern to the Government of Nepal." Repatriation of remains continues to be a challenge due to aircraft regulations and other factors, but through coordination between the FEB and the Diplomatic Mission, in 2018/19 and 2017/18 the remains of 82 and 135 migrant workers respectively were repatriated.

The fund also offers scholarships to children of deceased migrant workers. In 2018/19, 1,433 students were provided with scholarships (691 female and 742 male) to ensure that the loss of the family breadwinner does not lead to school dropout.

The Under Secretary stated in the interview that private sector agencies often voluntarily assume the duty to repatriate the remains of deceased migrant workers and have been assuming responsibility for managing the process not due to any legal obligation, but to earn a positive reputation.

In addition to contributions to the FEWF, workers are also required to purchase life insurance of at least NPR 1 million (US$ 8,795) through insurance companies enlisted with the Foreign Employment Department. This insurance policy covers against death or physical injury occurring for any reason and must remain valid during the full term of foreign employment (FEA, para. 26 (1)).

Disability payments

The numbers of migrant workers who sustained injuries or developed illnesses and received compensation from the Fund are much lower. The 2020 Nepal report states that 335 workers sought disability assistance in 2017-19, and of the 1,513 beneficiaries who benefited from this scheme in the last decade, 1,466 were male and 47 were female. There does not appear to be an assigned schedule of benefits, but the report mentions that an "Expert Committee decides the compensation amount to be provided which can be up to maximum of NPR 0.7 million (US$ 6,156) depending on the severity of the injury or illness." The gender disparity in recipients is not explained, but the statistics show that there are far fewer women migrating than men, at least through regular channels (only around 8.5 per cent of migrants receiving labour approval from Nepal to work abroad are women). The main cited causes of disability in the past two years were workplace accidents, diseases, and traffic accidents.

Reintegration

At the time of writing (November 2020), since the start of the COVID-19 pandemic approximately 95,000 migrants have returned to Nepal. In relation to this high number of returnees, the Board aims to mobilize increased funds for the reintegration of the returnees. According to the interview with the Under Secretary, the Board can only utilize 1 or 2 per cent of the fund for reintegration into communities. They are examining different modalities of reintegration according to the needs and capabilities of the migrants, including –

- facilitating employment opportunities in local communities

- entrepreneurship programming led by local municipalities: the FEB plans to contribute together with the local municipality, with 30 per cent covered by the individual; around 20 municipalities are already offering relief packages for reintegration that are running very effectively
- community social reintegration including psycho-social support and counselling.

In the interview he also explained that the Central Bank of Nepal has also issued directives to all the banks to establish subsidized loans to workers recently returned from overseas (within the previous two years), with interests rates at half the regular rate.

While many of the current programming and benefits are specifically outlined by statute (Section 33 of the FEA), [12] Section 26 of the FER provides more ambitious programming, particularly for medical treatment or educational opportunities for families, [13] reimbursement of fees paid by women workers for orientation, and establishment of child care centres for children of women migrant workers abroad. According to the 2020 report, these benefits are not yet afforded to migrant workers.

2.3 Benefits available in country of destination

Benefits are mainly available upon return to the country of origin. The Under Secretary of the Foreign Employment Department stated that additional benefits are offered through private insurance companies that are vetted by the government, and the government also offers some additional insurance schemes to cover healthcare and repatriation costs in the country of destination (as FEWF does not currently cover repatriation costs). The government issues and updates a list of institutions with competitive services and prices. For example, there are both private and public insurance options available for going overseas with charges below NPR 1,000 (8.5 US$), which covers repatriation costs in cases of unforeseen circumstances for the following two years. The health insurance, which is voluntary and not obligatory, covers workplace injuries or illnesses – the costs from the start of the illness, treatment in country of destination, travel to and transfer to treatment in Nepal.

The FEWF also includes provision for legal assistance. The FEB has hired ten lawyers in the top ten countries of destination to assist with claims in the local legal system. The FEB covers the costs of advocacy, for example to ensure that the labour contract is effectively implemented. The Labour Attachés or Counsellors at the embassy make the first attempts to resolve the situation.

[12] The FEA (para 33) states: "Use and operation of foreign employment welfare fund:

(1) The foreign employment welfare fund shall be used for the following purposes:

(a) Providing skill-oriented training to the workers going for foreign employment,

(b) Repatriating workers to Nepal due to mutilation or reason referred to in sub-section (1) of Section 75, providing compensation to workers and providing financial assistance to the workers who have so come back or their families,

(c) Launching employment-oriented programs for the workers who have come back from foreign employment,

(d) Where a worker who has gone abroad for foreign employment, dies there, and his or her dead body is not attended by anyone, bringing the dead body to Nepal and providing financial assistance to his or her family,

(e) Carrying out acts relating to foreign employment promotion,"

http://nepalpolicynet.com/images/documents/Labour%20and%20Employment/Acts/2007_Foreign%20Employment%20Act.pdf

[13] "For the purposes of this Act, the term 'family' means the husband or wife, son, daughter or mother, father and her father-in-law and mother-in-law." FEA, para. 32.

Staffing and operational management of the MWF

The Foreign Employment Board (FEB) is established pursuant to Chapter 8 of the FEA, naming the Minister or Minister of State for Labour, or Transport Management, or Agriculture and Cooperatives as Chairperson. The membership of the Board includes representatives from relevant ministries including: national planning; labour and transport management; home affairs; foreign affairs; finance; law, justice and parliamentary affairs; and women, children and social welfare. The Board includes two representatives, with at least one woman, from each of the following sectors: foreign employment experts, foreign employment entrepreneurs' association, and operators of skill-oriented and orientation training on foreign employment. Other members include representatives from Nepal Rastra Bank, the Federation of Nepal Chamber of Commerce and Industry, the Council for Technical Education and Vocational Training, as well as the chairpersons or nominated persons from four recognized trade union federations.

Service delivery

The 2020 Nepal Report states that eligible workers can claim such benefits throughout the duration of labour approval or within a year of return to Nepal. The FER (para. 28) states that the "nearest heir" to the deceased worker may make an application for benefits no later than six months after the certification of death of the deceased worker. The labour approval is only valid during the initial two- or three-year contract. Workers continuing to work abroad are no longer members of the fund and are hence ineligible for benefits. In the interview, the Under Secretary stated that the Board has decided to allow the embassies in countries of destination to process membership renewals and collect an additional NPR 1,500 (US$ 13) contribution. The FEB is seeking to implement the change in coming months. The Embassy would then transfer the funds to the management board.

In the case of death, the family member listed on the labour approval may be notified of the death. For example, if the incident is reported to the Embassy in Nepal, they will then notify the Foreign Employment Board and Ministry of Labour and Foreign Affairs. The family member will need to initiate the claim process and provide proof of their relationship to the local municipality, which will then be provided to the FEB.

The 2020 Nepal report notes that in response to difficulties associated with traveling to Kathmandu to access the compensation scheme, the government has made provisions for eligible beneficiaries to apply for compensation at the local level and then receive benefits from the FEB direct into their personal bank accounts.

The 2020 Nepal report also notes that the "number of beneficiaries has been increasing every year, which could be driven by both the large stock of migrant workers and increased awareness among migrant workers and their families about the compensation schemes."

Areas for possible improvement

In the 2020 Nepal report, the government notes that the compensation from the fund brings relief to cope with "shocks", but emphasizes the need for programmes and policies to further develop preventative measures. It noted among the major challenges the dangerous nature of the work customarily performed by migrants in countries of destination and barriers to healthcare access. They also noted that Nepali nationals have a high exposure to road related accidents, which may be due to lack of awareness, experience and information. Other concerns were the health issues of migrants due to dehydration, proper nutrition, and temperature variability, as well as rates of suicide. The Ministry of Labour recommends an increase in country-specific orientation programmes and rigorous medical examinations in Nepal before departure, and proposes that the concerned Missions conduct health camps in the country of destination. It also stated that the government has prioritized ensuring migrant workers have the appropriate skills prior to departure and has included strong provisions on regular monitoring and inspection of the workplace in recent bilateral agreements and memorandums of understanding with countries of destination.

3. Thailand case study [14]

The Thai migrant welfare fund (for Thai nationals), referred to in English as the Fund for Job-Seekers Working Abroad, was established in 1985 and covered 40,099 people in 1986. According to official data, in November 2020 there were 113,648 Thai nationals working abroad, with 48,745 workers contributing to the fund in 2018 and 47,047 in 2019. A worker's contribution to the fund is a one-time fee set at between US$ 10 and US$ 17 depending on the country of destination.

The Thai fund provides coverage immediately after payment into the fund: should the prospective migrant experience an accident or death in Thailand before departure, they are still entitled to benefits from the fund. The fund's coverage also extends for five additional years after the first two-year contract if the worker enters a new employment contract and stays abroad without returning to Thailand. In Thailand, the salaries of the staff administering the Fund are not drawn from the fund itself but provided through government appropriations. Thailand offers a wide range of benefits to its nationals while in the country of destination, including a maintenance allowance and medical benefits if they contract certain notifiable diseases. Benefits have expanded progressively since its inception. However, the process for filing claims, particularly for family members of deceased migrants, appears to be bureaucratically cumbersome, particularly if family members have not retained copies of the workers' documentation.

3.1 Fee structure and fund management

The Fund for Job-Seekers Working Abroad was established through the provisions of chapter VI of the Employment and Job-Seeker Protection Act 1985 (B.E. 2528) [15] and applies to Thai workers going overseas. This Act was amended in 1994 to allow for voluntary membership/contribution and to extend benefits to the legitimate heirs of migrant workers. It was again amended in 2001 to extend the duration of eligibility for benefits from the Fund.

Section 52 of the Act states that the fund shall consist of money or other properties collected from –

(1) government subsidy

(2) money remitted to the fund by the overseas employment licensees, employers or jobseekers under this Act

(3) the interest of the fund

(4) money or properties donated by others

(5) unclaimed deposits by the overseas employment licensees (Security devolved under Section 34 of the Act).

[14] Video Interview (Zoom), Suchitra Kachornkidakarn, Director, Overseas Employment Administration Division, Department of Employment, Ministry of Labour, 6 Nov. 2020.

[15] thailaws.com/law/t_laws/tlaw0071_3.pdf

The main source of capital and income for the fund comes from workers' contributions and the interest from the fund itself.

Contribution to the fund is compulsory for all workers who are recruited and migrate through employment agencies and regular migration procedures under the Department of Employment. For Thai workers who travel to work abroad without using those procedures, participation in the fund is voluntary and not compulsory. At the time of writing, voluntary contributors can only join the fund in Thailand, but not while in the country of destination.

The rates of contribution are fixed by ministerial regulations. They are currently either 300, 400, or 500 Thai baht (THB) (US$ 10, 13, 17) depending on the country of destination (THB 500 (US$ 17) for Europe, North America, Australia, Japan, Taiwan, and Korea; THB 400 (US$ 13) for the Middle East, Singapore and Hong Kong; and THB 300 (US$ 10) for other countries.) The full contribution is collected before traveling abroad and covers the whole period of the contract. If the Thai national continues to work abroad after the end of the contract (with a new contract) it covers an additional five years. If at the end of employment a Thai national returns to Thailand and chooses to travel to work again, either to continue to work with the same employer or with a new employer, it is considered a new migration and the contribution must be paid again.

3.2 Benefits available on return to country of origin

Section 53 of the Employment and Job-Seeker Protection Act 1985 (B.E. 2528) states three objectives –

(1) provide support to abandoned Thai workers to return to Thailand

(2) assisting jobseekers working or going to work abroad and their statutory heirs

(3) selecting and organizing skill testing and training to jobseekers prior to working abroad.

From October 2017 to May 2018 the Department of Employment issued compensation for 108 Thai migrant workers (out of approximately 120,000 workers abroad) for a total THB 3,745,000 (US$ 123,760). This breaks down into compensation in 60 cases of death – THB 2,380,000 (US$ 78,650); 13 cases of illness/disease – THB 315,000 (US$ 10,410); and 35 cases of disability – THB 1,050,000 (US$ 34,700).

The current available benefits are laid out in the –

- Ministry of Labour Regulation for the Administration and Management of Occupational Safety, Health and Environment, B.E. 2549 (2006)
- Ministry of Labour regulations on management the Fund for Job-Seekers Working Abroad, B.E. 2549 (2006)
- Ministry of Labour regulations on receiving money, paying money and keeping the money of the Fund for Job-Seekers Working Abroad B.E. 2549 (2006).

Disability before departure or upon return

The disability benefits are available after the worker pays the contribution, and covers the time before departure and the time working abroad, and upon return for partial or total disability. For example, if a workers is injured after paying their contribution but before travelling due to any type of accident, they are entitled to benefits – i.e. reimbursement of treatment costs: for partial disability up to THB 15,000 (US$ 495); for permanent disability up to THB 30,000 (US$ 990). The fund also provides protection from injuries or accidents during the time working abroad: for partial disability up to THB 15,000 (US$ 495); for permanent disability up to THB 30,000 (US$ 990).

Death

In the case of death of a migrant working abroad, the fund covers two benefits: (1) financial support for the family – THB 40,000 (US$ 1,320); and (2) compensation for the funeral – THB 40, 000 THB; totalling THB 80,000 THB (US$ 2,640). If the worker is in the period of their employment contract but has re-entered Thailand and died (for instance while home visiting), the financial compensation to the family is THB 30,000 (US$ 990).

Unforeseen circumstances

If the worker must leave the country due to unforeseen circumstances such as war, natural disasters, or pandemic (such as COVID-19), they are entitled to compensation of THB 15,000 THB (US$ 495). This benefit can be claimed and received upon return to Thailand (and thus would not be used in assistance for repatriation / return to Thailand, such as flight costs). Because of the impact of COVID-19, some 327 workers have applied and been awarded this benefit, receiving a total of approximately THB 4.8 million (US$ 159,000).

3.3 Benefits available in country of destination

Maintenance allowance

If a worker's contract is terminated early by no fault of their own, the fund can provide an allowance for transportation, accommodation, meals, medical expenses, and other necessary expenses not exceeding THB 30,000 (US$ 990). This allowance may be for workers facing problems abroad as a result of injury or disability, when they fail to pass the medical requirements after working abroad (i.e. they contract one of the prohibited diseases for working in the country after having passed the initial health screening before departure), or in cases of war or epidemic. To prove that the worker was not at fault, the fund may require the worker to provide evidence demonstrating that they have alleged the breach of an employment contract by taking legal action in the country of destination or have a determination that the employer was at fault. Such compensation has also been awarded to workers trapped abroad because of COVID-19 who could not get tickets or flights to return to Thailand. Workers can apply for compensation through the fund at overseas labour offices in consulates (there are 12 offices in 11 countries). In general, to receive this benefit, workers must provide receipts proving the cost of accommodation, meals and medical expenses. If workers cannot provide receipts for reimbursements of meals, the fund will use the daily cost of living in the specific country of destination and multiply by the number of days the workers were in crisis.

Illness

Where a worker experiences health problems or illness in the country of destination while waiting to start new work, waiting to return to Thailand or waiting for conclusion of a legal case against an employer, the cost of medical expenses incurred during this time may be considered for reimbursement under the maintenance allowance benefit. A receipt for medical costs and a medical certificate must be attached with the application to receive support.

In other cases of illnesses while working abroad, the fund will conduct a fact check to determine whether the worker is entitled to health coverage direct from any other agency, such as the social security system in the country of destination or other health insurance, and whether the worker is otherwise responsible for the expense. If no other entity is responsible for the costs or there are excess costs that cannot be reimbursed from elsewhere and the workers are as a result personally liable for the costs, the Fund will consider providing support to workers for the actual fee paid up to an amount of THB 30,000 (US$ 990).

Prohibited diseases

In cases where countries of destination require health screenings before workers are permitted to work and provide a list of prohibited diseases (i.e. tuberculosis) that bar entry, then if the worker passes the health examination before departure but after arrival is found to be infected by one of the prohibited diseases and is returned to Thailand, they are eligible for compensation from the Fund. Workers who are returned to Thailand on account of infection within the first six months of fund membership receive compensation of THB 25,000 (US$ 830), and workers who are returned to Thailand after more than six months of working receive compensation of THB 25,000 (US$ 830).

Legal assistance

This fund provides support for legal assistance. Thailand may approve support for cases where migrants are accused or found guilty of crimes determined to be without criminal intent or for legal aid in civil cases against employers for labour violations, such as in when a worker has not been paid due wages. The fund covers the cost of a local lawyer for an actual case up to THB 100,000 (US 43,300). The worker may seek to file a case and hire lawyers on their own or may be provided assistance by the embassy. Before proceeding with the case, the worker should apply to the labour office for approval to determine whether the case is eligible for legal support.

3.4 Staffing and operational management of the MWF

Section 54 of the Employment and Job-Seeker Protection Act establishes a Board for the fund, which consists of the Director-General of the Department of Employment (Ministry of Labour) as the Chairperson and not more than six members appointed by the Minister of Labour. It names the Director of the Office of Overseas Employment Administration as an ex officio member and secretary. Section 55 assigns a three-year term to all members. There is no participation by other interested groups. The management is handled on a rotating basis, selecting a president in charge of general management.

The fund currently has 64 staff members. The full-time staff salaries are paid by the government separately, and management draws additional support from the fund only in exceptional circumstances (extra temporary staff for project operations, approval of necessary overtime). Of the 64 staff, 60 are in Thailand, and four are based in labour offices abroad – two in Taiwan, one in Israel, and one in the Republic of Korea.

3.5 Service delivery

Workers are entitled to benefits as from payment of contributions and for up to two years after the qualifying incident (injury, death, etc.). As stated in section 3.1, they are also covered after their initial employment contract ends for up to an additional five years if they continue working in the country of destination.

If the workers themselves claim benefits, they must submit relevant documents and case information to the Department of Employment (DOE) either in Thailand (if returned) or in the consulate labour office in the country of destination. Different types of cases have different requirements. Management should process the claim in not more than ten days, but this can take longer if all the requisite documents are not supplied.

In the event of death, the worker's family members must claim benefits of their own initiative and provide the relevant documentation. While in Nepal and the Philippines the migrants will have already identified potential beneficiaries before departure, in Thailand there is no such arrangement, and families claiming benefit must prove entitlement.

Required documents for claim include –

- copy of the fund membership card
- copy of the worker's passport
- employment contract
- ID card
- household registration of the worker
- marriage certificate
- children: birth certificate
- authorization for a third party to receive financial support (e.g., family member to receive money for disability in Thailand)
- death certificate provided by the embassy or otherwise obtained.

Workers learn about the fund and the benefits through four major channels –

- provincial department of the DOE, including the office of labour and employment
- before travel while attending the pre-departure training; one session provides details of the fund
- Facebook page of the DOE
- DOE website.

3.6 Areas for possible improvement

The Thai Ministry of Labour is considering how to extend and provide additional benefits to Thai migrant workers and is examining whether to adjust the rate of contribution, which was set in 2010. They conduct regular studies and research on the fund to improve its efficacy. In fiscal year 2021 the fund planned to implement a project using research consultants to evaluate the feasibility of increasing benefits, expanding coverage to fund members, and improving the rate of contribution for each jobseeker. The Overseas Employment Administration Division intends to offer electronic services and upgrade the on-line technology associated with the fund in order to allow workers to apply for membership, pay contributions, update their status, and file claims for benefits. At the time of writing workers' contributions are collected in cash.

4. Philippines case study

The Philippines is often considered a model best practice for offering social protection to its nationals working abroad. Their migrant welfare fund is part of the Overseas Workers Welfare Administration (OWWA) and has been operational for over forty years, beginning in 1977. OWWA currently offers a wide range of programming and benefits for both workers and their families as well as reintegration upon return. Over the years the Philippines has regularly made incremental improvements to the organizational structure and administration of the fund and has expanded its services and benefits in response to an assessment of the needs of overseas Filipino workers (OFWs). It now has 34 posts worldwide in Philippines consulates in major countries of destination, and has established 17 regional offices within the Philippines to provide services to family members and returnees. In addition to pre-departure training and benefits for death and disability, it offers welfare assistance programmes, training programmes and scholarships for dependants, as well as reintegration programmes, including entrepreneurial loans and livelihood assistance. OWWA requires recruitment agencies who arrange for Filipinos to work abroad to collect the (US$ 25) contribution from the employer in the country of destination, and offers other OFWs the option of paying voluntary contributions. In 2017 the OWWA fund was worth around US$ 405,200,000. In 2016 there were 2.5 million active OWWA members; at present it is estimated that some 4.2 million OFWs qualify as temporary migrants, while there are an additional 1.2 million undocumented migrants.

The Philippines has also taken steps to incorporate OFWs into their universal health programme, run by the Philippine Health Insurance Corporation (PhilHealth), the national savings and housing loan programme (Pag-IBIG fund), and the Social Security System (SSS), which includes compensation for employment-related injuries and accidents. This coverage is hugely beneficial for workers in the Persian Gulf countries, where migrant workers are not required to be part of national social security systems and employers may evade the responsibility to assist workers who are sick or injured. The contributions of OFWs to PhilHealth also provide health coverage for dependants in the Philippines.

The wide breadth of the programming is very impressive and its incorporation of benefits for dependants, particularly scholarships and reintegration initiatives to earn income at home, are much more extensive than the Nepali and Thai funds. The challenge faced by the OWWA and other bodies is to retain the membership for OFWs while in their country of destination, ensuring collection of contributions and delivery of benefits. While the OWWA has a presence in oversea posts, other agencies rely on workers to use remittance services to pay their fees, and the change from a flat-rate contribution to one based on a percentage of income in PhilHealth (for parity with nationals) has created a backlash among OFWs. It is also administratively challenging for workers not only to provide proof of income from their employer in the country of destination and calculate their contributions, but also to continue making payments at their own initiative without access to easy electronic financial transfers. Providing and mailing paper documentation to receive benefits can also be burdensome for workers abroad. While some of the other agencies allow online methods for payment (e.g. Pay Maya), many agencies still issue cheques to family members and operate in cash. Recently only 25 per cent of OFWs participated in the social security system, and this lack of widespread participation may threaten the system as a whole. OWWA has not raised the contribution rate in the four decades since its establishment, and has used a considerable amount of the fund’s reserves on programmes in response to the COVID-19 pandemic.

4.1 Fee structure and fund management

The Overseas Workers Welfare Administration (OWWA) [16] is the lead government agency in the Philippines tasked to protect and promote the welfare and well-being of overseas Filipino workers (OFWs) and their families. It is regarded as a membership institution because it collects contributions. Currently OWWA is an agency attached to the Department of Labor and Employment (DOLE). Proposed legislation, Senate Bill 202, calls for a stand-alone department for migrant workers. It is supported by President Duterte and has been under consideration by the Senate Committee on Labor, Employment and Human Resources Development since July 2019. This bill would abolish the Philippine Overseas Employment Administration (POEA) and Overseas Workers Welfare Administration (OWWA) and reassign their responsibilities to the DOLE. (Patag, 2020).

In 1977, the welfare and training fund for overseas workers was first established under DOLE by law through Letter of Instruction (LOI) No. 537. In the past four decades, laws have been passed

[16] Video interview & presentation (Zoom), Mr Jay Teves of Advocacy Division, Ms Joyce Dalisay of Planning Division, Overseas Workers Welfare Administration, Department of Labor and Employment, 19 Nov. 2020.

transforming the organization of the agency. The most recent law, Republic Act (RA) No. 10801, established OWWA as a national agency and provides for government appropriations for administrative costs, such as staff salaries that were previously drawn from the fund, ensuring the fund is utilized now solely for the benefit of the OFWs.

The membership contribution of US$ 25 is paid by the employers of land-based workers and seafarers and collected during the recruitment process. Voluntary members also pay US$ 25. Membership is valid for two years.

Other sources of contributions include –

- investment and interest income (very small percentage)
- income from other sources.

After two years' membership by a worker the liability of recruitment agencies ends. Workers can then transfer to voluntary membership abroad: the law clearly states, however, that in the case of a recruitment agency hire, the employer must pay the mandatory contributions.

If an OFW travels with a tourist visa and then secures employment in the country of destination, they may become a voluntary member. They may pay their contribution with OWWA when updating their status from tourist to worker. OWWA is present in 34 locations and overseas posts at consulates worldwide, and voluntary members can pay contributions in the country of destination.

4.2 Benefits available on return to country of origin [17]

Social benefits

These benefits are for "active" members within the two-year validity period, and are applicable after payment of contributions (including before departure in some cases).

- *Disability and Dismemberment Benefit:* Up to 100,000 Philippine peso (PHP) (US$ 2078.75) for injuries sustained due to an accident while working abroad. There is an established schedule of benefits depending on the nature of the disability.
- *Death and Burial Benefit:* PHP 100,000 (US$ 2,078.75) if the cause of death is natural, P 200,000 (US$ 4,157.50) if death is due to an accident. An additional PHP 20,000 (US$ 415.75) is provided for the funeral expenses. Members may name beneficiaries before departure, but the heirs must be family members according to the Family Code of the Philippines (which includes a hierarchy of beneficiaries).

Welfare assistance programme

This includes benefits for both active and inactive members.

- *Calamity Assistance*: Assistance for family members of OFWs who are affected by natural disasters (e.g. typhoons) and crises such as civil war (depending on the alert level set by the Department of Foreign Affairs and declarations of mandatory evacuation, etc.).
- *Medical Assistance*: Provision of medical benefits for inactive members.
- *Bereavement Assistance:* to families of inactive members. Even if the member dies in the Philippines but was previously an OWWA member, the assistance is available.

[17] See https://owwa.gov.ph/index.php/programs-services/social-benefitis

- *Relief Assistance*: When companies halt their operations, the fund provides food, hygiene kits and money for the personal needs of an OFW while they await repatriation. (Migrants who need shelter can utilize the shelters established separately by other Filipino agencies.)

Education and training assistance

These include short-term training programmes for OFWs and their dependents –

- *Skills for Employment:* Financial assistance of up to a maximum of PHP14,500 (US$ 300) per course for technical and vocational training for active member OFWs and their dependants at accredited training centres.
- *Information Technology (IT) Training Program:* [18] Basic computer literacy programme to upgrade the IT skills of OFWs and their families. These are currently suspended due to COVID-19.
- *Scholarships for dependants*
    - *Education for Development Scholarship Program:* A scholarship grant offered to qualified beneficiaries and dependants of active OWWA members who intend to enrol in a 4-5 year baccalaureate course in any preferred colleges or universities. Financial assistance of a maximum of PHP 60,000 (US$ 1,250) per school year. Dependants are chosen through a selective process whereby an examination is taken and the 400 best performers are eligible for the scholarship. Dependants continue to receive this annually until completion of the degree.
    - *OFW Dependant Scholarship Program* (ODSP): [19] Educational financial assistance of PHP 20,000 (US$ 415) per year to qualified dependants of active OWWA members whose monthly salary is US$ 600 or below. The scholar can enrol in any four-year or five-year baccalaureate course or associate course in any accredited college or university.
    - *Educational Livelihood Assistance Program*: [20] Scholarship for the dependants of OFWs who are active OWWA members at the time of death, including convicted OFWs facing the death penalty in the host country.
        - PHP 5,000 (US$ 104) – allowance for elementary
        - PHP 8,000 (US$ 165) – allowance for high school
        - PHP 10,000 (US$ 208) – allowance for college
        - PHP 15,000 (US$ 312) – livelihood assistance for the surviving heir
- *Seafarers*
    - *Seafarer's Upgrading Program:* [21] Provides job-related training to upgrade the knowledge, skills and expertise among Filipino seafarers in accordance with technological advancements and global maritime standards. The financial assistance from OWWA has a ceiling of PHP 7,500 (US$ 155).

[18] See https://www.pna.gov.ph/articles/1111012

[19] See https://worldscholarshipforum.com/owwa-scholarships-scheme-for-filipino-students

[20] See https://owwamember.com/educational-livelihood-assistance/

[21] See https://owwamember.com/seafarers-upgrading-program

- *Mariner's Dugtong Aral (Bridging) Program (MDA):* [22] A scholarship grant for prospective seafarers who are graduates with a bachelor's degree in Mechanical Engineering or in Electrical Engineering who wish to pursue a bachelor's degree in Marine Engineering.

Reintegration

OWWA provides a mix of support services and programming for returned OFWs and offers the Enterprise Development and Loan Program, [23] which is available for both active and inactive OWWA members. These programs are largely run by the 17 OWWA regional welfare offices. The OWWA provides –

- business counselling and entrepreneurial development training
- logistical assistance in organizing OFW families – this includes encouraging and facilitating community organizing, such as meet-ups or support groups of families of left-behind OFWs based on different affiliations, such as their location, while some are specifically for women
- financial literacy seminars
- networking with support institutions
- social preparation programs
- enterprise development and loan programs –
  - three-phase entrepreneurship development training, comprising business orientation, project-specific training, and business plan preparation
  - in partnership with the Land Bank of the Philippines, OWWA offers business loans from PHP 100,000 (US$ 2,080) up to a maximum of PHP 2 million (US$ 41,580) for individual borrowers and a maximum of PHP 5 million (US$ 104,000) for group borrowers.
  - OWWA helps beneficiaries prepare their presentation, connect with institutions, finalize business plans, and work with the departments of trade and industry, agriculture, and agribusiness.
- Balik-Pinas! Balik Hanapbuhay: [24] a package of livelihood support/assistance intended to provide immediate relief to distressed/displaced OFWs upon return to the Philippines (e.g. those who returned because they were unable to complete a contract for whatever reason). A maximum of PHP 20,000 (US$ 415) is available as start up or additional capital for the livelihood project upon return, as follows:
  - PHP 20,000 (US$ 415) – active member-OFWs
  - PHP 10,000 (US$ 208) – non-active member-OFWs with more than one (1) contribution
  - PHP 5,000 (US$ 104) – non-active member-OFWs with one (1) contribution.

[22] See https://owwamember.com/mariners-dugtong-aral

[23] See https://www.ofwguide.com/article_item-2607/How-OFWs-can-avail-the-Enterprise-Development-and-Loan-Program-from-OWWA-and-DTI.html

[24] See https://thepinoyofw.com/owwa-balik-pinas-balik-hanapbuhay

4.3 Benefits available in country of destination

- *Supplemental medical assistance for OFWs* (Medplus): Designed to provide supplemental medical relief for active OWWA and active PhilHealth members who are afflicted with fatal diseases (according to a list/schedule established by PhilHealth) and hospitalized, either in their country of destination or while in the Philippines. It provides financial assistance equivalent to PhiHealth benefits under its case rate system, up to PHP 50,000 (US$ 1,040).
- *Relief Assistance*: In emergencies, such as when companies in the country of destination unexpectedly halt their operations, OWWA provides allowances for food, hygiene kits and other personal needs as OFWs await repatriation. Migrants who need shelter can utilize shelters provided by other agencies.
- *Programming*: OWWA offers services through its overseas posts, including value re-orientation seminars, financial literacy, entrepreneurial development training, and techno-skills training.
- *Repatriation Program*: OWWA supports the return of distressed OFWs and human remains to the Philippines. Emergency repatriation is carried out in the event of any political unrest or natural calamities, in coordination with DFA and other agencies. Post-repatriation services extended to distressed workers include –
    - airport assistance
    - temporary shelter at an OWWA Halfway Home
    - psycho-social counselling
    - transport services and fares for their onward travel to their respective provinces
    - medical referral/services.

4.4 Staffing and operational management of the MWF

The OWWA Board of Trustees is composed of the Secretary of DOLE as Chairperson and the OWWA Administrator as Vice-Chairperson. Members include the Secretary of Foreign Affairs, Secretary of Finance, Secretary of Budget and Management, and the Administrator of the Philippine Overseas Employment Administration (POEA). The Board also includes two former OFWs and two recruitment agencies from both the land-based and sea-based sectors, as well as one assigned woman representative.

There are 17 regional OWWA offices across the Philippines and 34 overseas posts worldwide. OWWA has around 400 regular staff, who serve at national headquarters, the regional offices in Philippines, and overseas posts. In response to the COVID-19 pandemic, OWWA hired additional emergency temporary employees.

4.5 Service delivery

Family members can make a claim with the OWWA regional offices (who are also responsible for notifying death if informed before the family member). Family members need to present documents such as a death certificate, and proof of relationship such as a marriage contract. OWWA distributes payment to the families of the OFWs in the form of a cheque, and sometimes in cash.

The maximum claim processing time for complex transactions is 15 days. Regional offices may need additional time to verify documents, particularly in the case of death, which can take up to 30 days.

For medical assistance, claims must be made within one year of the date of injury or illness and within three years of the date of death for death benefits.

4.6 Areas for possible improvement

The mechanisms for maintaining active status after the initial contract closes pose challenges. OFWs who extend a contract with the same employer without the use of a recruitment agency and return or stay in the country of destination are strongly recommended to report to OWWA to continue membership and collect the contribution from their employer. However, since the worker is responsible for reporting to the overseas post and may have to make up-front payments and later seek reimbursement, many workers choose not to report.

The US$ 25 contribution fee has remained constant since the beginning of OWWA over 40 years ago. OWWA is considering whether this amount needs to be adjusted. The COVID programmes have required large expenditures, forcing the agency to consider how to replenish the funds for the future.

5. Analysis of feasibility based on the experience of the Nepal, Thailand and the Philippines Migrant Welfare Funds

According to the written responses received from the Myanmar Department of Labour, Myanmar migrant workers abroad cannot currently access any specific fund. Assessing the feasibility of developing and implementing a welfare fund, for which there is a mandate under the NPA for 2021, seems timely in view of the difficulties already experienced by many Myanmar migrants during the Covid pandemic, which may well continue for much longer. This brief is intended as a tool to aid the process of developing a migrant welfare fund, while more detailed analysis of its feasibility would be required to support its economic and legal development.

A number of lessons can be learned from the case studies of Nepal, Thailand and the Philippines that could be applicable to Myanmar. First, their funds have seen the incremental and progressive implementation of programmes and the expansion of benefits over time. The Philippines has very expansive programmes, since it has been operational for over forty years and has taken time to grow. The government repeatedly passed new laws to improve the administration, levels of benefits and types of services it offers. Nepal’s fund, which is a little more than a decade old, has focused on providing death benefits and has taken strides to improve service delivery, which has enabled numerous families to receive critical benefits when a close relative has died while working abroad.

The migrant welfare funds of Nepal, Thailand and the Philippines are all established by law, with explicit statutory authority conferred on agencies to administer them, clearly outlining their objectives and the composition of their executive bodies. As noted by the Director-General of the Myanmar Department of Labour, the establishment of any fund by Myanmar would similarly need to be promulgated and implemented by law. In Nepal and the Philippines, the Board clearly ensures the representation of former migrants and of women representatives from different sectors and agencies. Rules and regulations governing the funds are also established by the ministries of labour or parallel departments and made public. With the establishment of any fund, it is important to build trust among nationals. In Myanmar, it would be feasible to incorporate the establishment of the fund into the amended 1999 Law Relating to Overseas Employment (LROE) (Law No. 3/99), while also ensuring the inclusion of men and women migrants in the design, development and management of the fund.

The existing structures and procedures in Myanmar established by the Ministry of Labour and the LROE could be utilized to develop and administer a Migrant Welfare Fund. The management and a supervisory committee already established under the LROE could assume responsibility to manage a MWF, and a multi-sectoral technical working group could provide advice and guidance on its scope and implementation. The Social Security Board under the MOLIP is incrementally expanding coverage of social security and could play an active part in establishing and co-managing the fund. As mentioned by the Director-General of the Social Security Board (SSB), SSB could be the focal or main department responsible for establishing and maintaining the fund, while other dedicated programmes should be developed for the other needs of migrant workers. The current process requires all workers going overseas to register at a local Labour Exchange office to receive a jobseekers card, and at specified labour exchange offices to receive an Overseas Workers Card. Such locations could serve as access points for collecting contributions and disseminating information about a MWF. With considerable numbers of migrant workers already overseas, if participation was encouraged or required by migrant workers or their employers, an MWF would enjoy substantial funding making it possible for a limited number of benefits to be available immediately.

The COVID-19 pandemic has highlighted how valuable a fund can be to facilitate the repatriation of migrants in times of crisis, with both the Thai and Philippines fund covering a maintenance allowance for migrants who through no fault of their own lose their jobs and need to return home. In establishing the fund the Thailand Department of Labour actively coordinated with the Ministry of Health and Sports, the General Administration Department, the Ministry of Social Welfare, Relief and Resettlement, and the Covid 19 Committees to respond to the needs of migrants. Myanmar Labour Attachés in Thailand have also coordinated with Thai authorities to reach out to Myanmar migrant workers in need of assistance, especially in terms of repatriation, Such coordination is of great importance to a welfare fund, and is within the current capacity of and roles played by the Department of Labour in supporting Myanmar migrant workers. In the current COVID-19 crisis the Department of Labour undertook to register undocumented migrants, who were then also able to access special services. While the Department of Labour focuses on sending migrants through official channels, an option of voluntary membership would permit the inclusion of undocumented migrants who are in need of social protection, while the Department of Labour would still need to stress the value of regular migration. The SSB also recognises that supporting the establishment of regularization programmes in countries of destination can increase social protection by ensuring migrants are eligible for the social security programmes available while working abroad.

Nepal has instituted a good practice of studying trends in the fund, which they publish as public reports analysing data that can lead to initiatives for improvement. Such reports not only provide evidence-based data for the development of appropriate changes and policies, but also increase transparency and accountability, thus increasing the trust and confidence of contributors and the general public.

The key features of the Nepali, Thai and Philippines migrant welfare funds are that the amount of contributions is kept fairly low so as to be affordable. For Myanmar the amount would need to be considered in the light of the fees and expenses incurred by migrating for Myanmar workers. According to the Rules and Regulations for Licence Holders of Overseas Employment Agencies, 2014, Article 15, unless otherwise specified in separate ministerial regulations, fees are capped at no more than four times a worker’s monthly salary. This is already a considerably high fee, essentially one-third of a worker’s yearly salary.[25] The Directors of the Social Security Board also noted in their responses that the cost of migration needs to be affordable to enable employment through regular channels.

With the high costs involved in migration as it stands, there may be opposition to any increase in overall fees, especially if there is a lack of adequate information on the purpose of a welfare fund, clear information about the benefits, and an accessible application procedure. In Nepal the government supplements the income of the fund by depositing the interest of the security deposits of licensed recruitment agencies held by the government. Because the Government of Myanmar collects a deposit of 50 million Myanmar kyat (US$ 32,900) from licence holders that is placed into a government account, following Nepal's example, it could use the interest for the fund. Myanmar could also seek initial start-up capital for a fund from international donors or the local private sector, which if invested as it is in the Philippines, could create returns to sustain the fund.

A key feature of both the Thai and Philippines migrant welfare funds is that they also permit voluntary membership and contributions. Philippines workers can opt into the fund from the country of destination if they become employed after migrating through other channels such as tourist visas. Offering voluntary membership to migrants who do not use recruitment increases the overall level of contributions and casts a wider net over its nationals to offer protection.

Encouraging voluntary participation would require not only educating potential migrants through widespread awareness campaigns, but also a process whereby migrants can easily avail themselves of their entitlements, as it will be necessary to demonstrate a proven track record to encourage migrants to be willing to invest part of their income. This type of education could be disseminated through the existing Migrant Resource Centres and in partnership with unions and CSOs that are already actively working with potential migrants to promote safe migration, through campaigns to regulate workers abroad, and through mass media campaigns. As the Migration Division of the Department of Labour expressed in its response, there is still a need for migrants to be more vigilant in keeping and using information supplied to them prior to departure, for example information on services providing assistance, basic rights, and insurance schemes. Information about the welfare fund could build on efforts to emphasize to migrants the need to pay greater attention to the information supplied and disseminated by the Department of Labour.

In addition to Nepal, Thailand, and the Philippines, numerous countries across Asia with varying levels of development and government infrastructure have created welfare funds to protect their nationals working abroad, while at the same time advocating with the governments of countries of destination to ensure inclusion of their migrant workers in social security programmes, the portability of social security, and general social protection of their citizens while in the country of destination. Nepal, Thailand, and the Philippines still work with countries of destination where possible to include their migrants within the social protection schemes there, particularly healthcare schemes. As noted by the Director of the Social Security Board of Myanmar, many gaps in social protection would be addressed if Myanmar-documented migrant workers were entitled to the same benefits as those provided by law in countries of destination for nationals. He also explained that Myanmar has coordinated and

[25] While the maximum recruitment fees for migration to Thailand are set at 150,000 Myanmar Kyat (~US$ 100), migrant workers are required to pay an additional 3,600 Thai Baht (US$ 116) to the Thai government for visas, work permits and medical insurance. Some migrant rights groups have reported that in practice some migrant workers have paid more than 800,000 Myanmar Kyat (US$ 527) to migrate to Thailand. (MMN, 2019, p. 67). Again, while the recruitment fee for migration to Malaysia is capped at US$ 850, migrant workers reportedly have to pay approximately US$ 75 in additional fees to the only service company in Myanmar that processes visa applications to Malaysia, as well as another US$ 56 for a mandatory pre-departure health check (ibid., p. 68). While there is a potential to earn a higher income in Japan, recruitment agencies can charge up to US$ 2,800 and reports show migrant workers can pay as much as US$ 3,800 to 4,000 in practice (ibid., p. 68). Migrant workers often take out loans in order to pay the up-front costs of migration.

cooperated with Malaysia’s Social Security Board (SOCSO) to develop a Memorandum of Contract (MoC) Agreement, whereby Myanmar migrant workers in Malaysia can receive employment injury benefits. The MOC requires employers to contribute to the Employment Injury Scheme under Malaysia’s Social Security Programmes.

Myanmar overseas migrant workers are not covered by the current Myanmar social security scheme and do not pay contributions. As the Philippines makes advances despite obstacles to the inclusion of migrant workers within their national social security systems, the lessons they are learning would be valuable for Myanmar to consider as it expands the national security system, particularly the challenge of collecting contributions for workers who stay abroad continuously for many years beyond the first contract, as well as measures to ensure the portability of benefits with countries of destination.

Establishing a welfare fund in Myanmar is a feasible method of enhancing social protection for its nationals working abroad. Myanmar should consider a framework for the fund that includes: establishing transparent and accountable institutions; adopting measures to combat corruption; engaging in widespread education and information campaigns among prospective migrants and their families; offering simple and accessible procedures; ensuring the voices of migrants in the coordination of the fund, and incorporating follow-up studies and research to promote incremental progress.

Myanmar also has the advantage of being in a position to build a system designed with electronic and digital tools at the outset, a feature that Nepal, Thailand, and the Philippines are now striving to introduce to move their systems onto digital platforms. Procedures should be simple and should utilize technology to enrol members and enable them to monitor benefits and to facilitate payments and the submission of documents (UNDESA, 2018, p. 92, ISSA, 2014, pp. 46-48, Olivier, 2017, pp. 4-5). In response to COVID-19, there have been numerous advances by countries to improve the payment of social protection benefits, utilizing an array of payment service providers, employing digital cash transfer mechanisms, utilizing on-line and mobile platforms, and adopting basic account platforms and remote account opening processes. (Gentilini et al., 2020, pp. 18-24). Myanmar has the benefit of designing a system that utilizes ICT effectively from the outset so as to avoid the problems of subsequent adaptation.

The other forms of social assistance provided by the Philippines such as the Pag-IBIG fund (see Annex) also offers an example of the privatization of a fund originally run by the government but now a private entity with tripartite representation. In its written responses, the Social Security Board in Myanmar identified itself as the focal or main department charged with managing such a welfare fund. This may be challenging, as it would require further amendments to the Social Security Law (2012), and while SSB continues to make strides to expand branches of social security offered to nationals within Myanmar, Pag-IBIG offers potential for a different structure.

The Government of Nepal has also worked with private insurance companies to offer other voluntary forms of coverage beyond what is offered in the welfare fund, an initiative also recently taken by the Government of Myanmar. According to the Director General of the Department of Labour, migrants from Myanmar who wish to purchase insurance to provide benefits for injuries incurred while abroad can currently contribute voluntarily under a policy offered by Myanmar Insurance. They would need to pay MMK 15,000 (US$ 11.25) for six months of coverage or MMK 30,000 (US$ 22.50) for one year of coverage. They may also purchase life insurance before departure where options are available according to country and job categories. As Thailand has tightened restrictions due to the COVID-19 pandemic, the State-owned Myanmar Insurance Enterprise (MIE) has launched a Travel and Health Insurance scheme to cover the needs of Myanmar migrants in Thailand and meet the requirements of a health insurance plan, with US$ 100,000 protection valid for at least six months (Myanmar Times, 7 Jan 2021). Nepal also offers private insurance options for repatriation in unforeseen circumstances, which is currently not covered by the welfare fund itself, which Myanmar may wish to consider offering as an initial measure until it can progressively offer such benefits through the welfare fund.

The case studies from Nepal, Thailand, and the Philippines note various challenges when establishing migrant welfare funds. For instance a one-size-fits-all method may be easier to administer but may be unsuitable when migrants are in a wide range of countries with different costs of living, salaries and health care benefits. The benefits offered by the fund may be low relative to living costs in some destination countries. Shifting to means-based contributions can be difficult to implement abroad, necessitating proof of income, and varying calculations of contribution may complicate the process. The claims procedure to receive benefits may be overly complex, with excessive documentation requirements dissuading eligible migrant workers who lack the capabilities to prepare, process and send this information (e.g. physically mailing documents). Workers may face difficulties liaising with offices that are far from worksites or homes, even when there are representatives in the consulate in the country of destination, which may only be open during working hours. Communicating from the country of destination to offices in Myanmar may be difficult due to time differences. Even when ICT is employed, it may be cumbersome and difficult to use without any personal assistance to field questions or help. As noted in the case studies, there are also challenges with renewing coverage while in the country of destination, as this can lead to only temporary coverage.

Particular strengths and innovations are noted, such as Nepal's practice of coordinating with local lawyers to assist Nepalese migrants; Thailand's five-year extension of benefits beyond an initial two-year contract; and the Philippines' vast programming and infrastructure benefiting not only migrants overseas but also dependants at home, and the reintegration of returning migrants. While not all of these are feasible at the outset of building a fund, they provide a road map of good practices to pursue in the future.

6. Recommendations

1. Define by statute the fund's purpose and the composition of the entity charged with administration of the fund. According to the ILO Multilateral Framework for Labour Migration, MWFs should be used to assist migrant workers and their families, for example, in the case of illness, injury, repatriation, abuse or death. If the fund is largely established by contributions by migrant worker members, the fund should be viewed as owned by its members rather than the government (Ruiz et al., 2008, p. 4). The government should ensure that such an institution includes adequate tripartite representation on its Board, including women and men migrant returnees. There should also be mechanisms for consulting a broad base of members in policy formulation and coordination. Permitting the fund to be governed by a tripartite body is a possible best practice with regular consultations of key stakeholders.

2. Design a long-term growth plan for the fund that prioritizes the types of services to be offered and which are possible with available financial resources and capacity for implementation at the start and gradually expanded. Core services may include those that address the risks migrant workers face in countries of destination where local social security schemes may not provide coverage or sufficient coverage, while services that help migrant workers before and after departure and their families at home, may be added in later stages.

3. Engage in widespread and far-reaching information campaigns to raise public awareness of the fund and its benefits. Ensure information is easily available online, via tools regularly used by migrants, such as Facebook. Take actions to build public trust in the fund, including systems for transparency and anti-corruption mechanisms, including a whistle blower policy.

4. Integrate the welfare fund as part of a broader migrant management system or social security system. Utilize embassies and consulates abroad to offer services to migrants on-site. Provide assistance in partnership with existing labour attachés and counsellors in countries of destination.

Ensure that migrants and their families can receive consular support to obtain any necessary documentation to receive benefits, such as a death certificate and required translations.

5. Consider partnerships with the private sector and non-governmental organizations that may ensure efficient and more cost-effective service delivery. The government can contract with partners while ensuring oversight.

6. Develop overall quality assurance mechanisms to ensure that the services provided meet the welfare needs of the migrants. This includes a complaints mechanism where migrants are not able to receive benefits as expected, regular auditing, as well as research and studies to analyse the effectiveness of the fund. All such information should be made public to promote transparency and also prompt improvements.

7. Offer voluntary membership of the fund so as to ensure the widest possible inclusion of migrants in the fund and increase its resources. Voluntary membership should be combined with widespread education on the benefits of the fund to encourage voluntary contributions.

8. Offer simple and streamlined procedures for application to join the fund, pay contributions and make claims benefits. Collect adequate information at the onset of the process from migrant workers before departure, and allow them to name legal beneficiaries or authorize family members to receive benefits on their behalf. Assign the government the responsibility to initiate contact with beneficiaries in cases where the embassy is notified of death and to assist in applications for benefits. Limit the documentation requirements as to ensure that benefits are easily accessible by simplifying the requirements necessary to protect against actual threats of fraud.

9. Utilize information and communications technology (ICT) to offer electronic services, including the development of apps (applications) for smart phones, and direct bank transfers.

10. Offer services within regional or local districts for returnees and their families.

Annex: Social protection initiatives for overseas Filipino workers

The Philippines has a range of social protection initiatives for overseas Filipino workers which complement the services provided by the Migrant Welfare Fund. Three of the major initiatives are outlined below.

1. PhilHealth – Universal health care coverage

In 2004 the Medicare program of the Overseas Workers Welfare Administration (OWWA) was merged with the national health insurance program (which provides universal healthcare in the Philippines), thus including Overseas Filipino workers (OFWs) in the Philippines national health insurance program. A requirement was instituted that all OFWs must pay one year’s contribution of PHP 900 (US$ 19) to PhilHealth before they are granted permission to leave the country. Initially this payment was made through the Philippines Overseas Employment Administration (POEA). This process guaranteed that the contribution was received before the issue of an overseas employment certificate (OEC) permitting OFWs to leave the country. The health premium for an OFW was PHP 2,400 pesos (US$ 50) annually and was not mandatory except for those leaving the Philippines for the first time.

In 2015 the system was changed so that OFWs are now required to make direct payments to PhilHealth and it is no longer mandatory to issue an OEC. In essence, this has made PhilHealth a voluntary rather than a compulsory programme as envisioned by the law. In 2019, a Universal Health Care bill was signed into law requiring all OFWs to be “direct” contributors under the national health plan and pay 3 per cent of their monthly salary to PhilHealth instead of the previous flat fee of PHP 2,400 pesos (US$ 50) yearly when OFWs were “under a special category” in PhilHealth. Many of the Persian Gulf countries (with the exception of Abu Dhabi and Dubai, but not the entirety of the UAE) do not provide health coverage for migrant workers.

Under the universal health care system, which entitles all Filipinos to health care, PhilHealth has two classes of contributors – direct and indirect contributors. Direct contributors includes OFWs. A schedule of payment was determined for all direct contributors. In 2019 the rate started at 2.75 per cent of their basic monthly salary, then raised to 3 per cent in 2020 and 3.5 per cent in 2021. PhilHealth covers the dependants of direct contributors, including OFWs. Dependants are those who are under 21 years old, a spouse who is not working, and parents who are over 60 years old. However, if a dependant seeks care and the member has not paid their mandatory contribution, they will be subject to arrears and penalties. The minimum wage set by the POEA for overseas workers is US$ 400 monthly (around PHP 20,800) and thus minimum wage earners should pay PHP 7,488 (US$ 155) to PhilHealth for the year. The agency allows an initial payment of PHP 2,400 (US$ 50), with the option to pay the balance in quarterly instalments. In 2021 contributions will be calculated on a salary scale with a top rate at PHP 70,000 (US$ 1,450) upwards, and in 2024/25 with a top rate of PHP 100,000 (US$ 2,080).

Year	Monthly Basic Salary	Premium Rate	Monthly Premium
2019	P10,000.00	2.75%	P275.00
	P10,000.01 to P49,999.99		P275.00 to P1,375.00
	P50,000.00		P1,375.00
2020	P10,000.00	3.00%	P300.00
	P10,000.01 to P59,999.99		P300.00 to P1,800.00
	P60,000.00		P1,800.00
2021	P10,000.00	3.50%	P350.00
	P10,000.01 to P69,999.99		P350.00 to P2,450.00
	P70,000.00		P2,450.00
2022	P10,000.00	4.00%	P400.00
	P10,000.01 to P79,999.99		P400.00 to P3,200.00
	P80,000.00		P3,200.00
2023	P10,000.00	4.50%	P450.00
	P10,000.01 to P89,999.99		P450.00 to P4,050.00
	P90,000.00		P4,050.00
2024 to 2025	P10,000.00	5.00%	P500.00
	P10,000.01 to P99,999.99		P500.00 to P5,000.00
	P100,000.00		P5,000.00

Per PhilHealth Circular No. 2019-0009

PhilHealth Circular 2020-0014 issued in April 2020 implements the Universal Health Care Law by requiring all OFWs to submit proof of income, from which the amount of their premium payments is computed. Foreign currency salaries will be first converted into US dollars and then into pesos, which will then be the basis for the contribution. (Sea-based OFWs will be charged monthly, which will be automatically deducted from their salaries by their agencies) (PhilHealth Circular 2020-0014, Sec.V.D.).

In 2020, particularly in view of the COVID-19 pandemic, many OFWs who did not understand the impact of the changes in the law and were taken by surprise advocated against the changes. As a result the President of the Philippines declared that PhilHealth was voluntary for OFWs until such time as Congress amended the Universal Health Care Law. Because of these changes, contributions to PhilHealth have dwindled considerably.

As direct contributors, a PhilHealth membership entitles an OFW and their immediate family to deductions from their hospital and doctor's fees in the Philippines. For instance, a Stage 3 breast cancer patient who runs up PHP 34,000 (US$7,075) of medical costs in the Philippines would end up paying not more than PHP 14,000 (US$ 290). An OFW would enjoy the same benefits as a national in the Philippines and would be able to claim the equivalent compensation in pesos to assist in the expenses of health care abroad. They would have up to six months to make a claim to PhilHealth and submit the required documents. A female OFW who delivers a baby overseas would be reimbursed PHP 19,000 (US$ 395) for a C-section and PHP 8, 500 (US$ 175) for normal delivery (Interview, Ms. Yap (fn 12)).

OFWs can send the documents by PhiHealth messenger or by physical mail to PhilHealth or to the provincial offices in the Philippines where they live. PhilHealth will provide reimbursement in the form of a cheque and OFWs can assign a family member to receive the cheques. During the registration process OFWs may designate their dependants, and they only have to show proof of identity to receive payment as opposed to proof of relation (unless suspicions are aroused).

Since PhilHealth was instituted in 2013, the rates of coverage have only been increased for a few types of illnesses and corresponding treatment. For instance, coverage of dialysis has been one of the few treatments that has changed several times – coverage rose from 90 to 120 sessions. A committee reviews the system periodically and produces the necessary guidelines. In preparing guidelines regarding health finance policy, the committee seeks input from specialty medical associations and also includes employers' organizations and major trade unions in other discussions. When drafting any policies concerning OFWs, Congress engages two or three sectoral representatives of OFWs. PhilHealth also calls for consultations and includes service organizations on other occasions.

The Senior Manager of the Overseas Filipino Program for PhilHealth stated that mass information campaigns need to be launched to educate OFWs on the benefits of the national health insurance program. Because of COVID-19, her office began to engage in virtual (zoom) meetings, enabling them to reach more OFWs. They also try to meet with community leaders and air radio spots to contribute to awareness and persuade OFWs to sustain membership, emphasizing the need to ensure access to health care for their family members still in the Philippines.

At the time of writing (November 2020) only 180,000 OFWs of the currently estimated 4.2 million OFWs have paid the PhilHealth contribution. The contributors are mainly those who have had to draw on the services of PhilHealth in the past or had dependants who received hospitalization benefits. The most popular recommendation set forth by OFWs is to return to one fixed annual rate. There is resistance to paying among OFWs who do not have dependants, but opting out is contrary to the underlying principle of universal health care.

PhilHealth also offers "lifetime membership" for those who have contributed for at least 120 months by the time they turn 60 or if they are still working beyond 60. Upon retirement, lifetime members are no longer required to contribute, but receive the same benefits as active members.

OFWs are expected to pay their membership fees to PhilHealth through accredited collecting agents who have ties with local remittance companies abroad, and have a large presence in the Middle East. OFWs are expected to pay a contribution for PhilHealth separate from the payment they are expected to contribute to be part of the social security system.

PhilHealth would benefit from the expansion of electronic modalities for payment by overseas workers, but they have been slow to adopt new technology and face bureaucratic hurdles for approval. They would also like to have representatives in offices abroad and tried to send representatives to Hong Kong to serve the domestic workers there, but approval was stalled by the Department of Foreign Affairs. The Senior Manager of the Overseas Filipino Program for PhilHealth believes the rates of contribution would be higher if the OFWs were interacting with in-person staff and if they could send and receive payment through smartphone apps that would not require them to travel to the city centre, and if they could also make payments by credit card.

2. Employment-related compensation for injury and sickness through the social security system

The Employees' Compensation Program (ECP), which is similar to workmen's compensation schemes in other countries, is administered by the Employees' Compensation Commission (ECC), which is part of the social security system. It did not originally cover OFWs, but when participation in the social security system was made mandatory for OFWs, ECP coverage extended to OFWs as it exists under the SSS umbrella. About PHP 30 (US$ 0.60) a month of an SSS contribution funds the ECP. The ECP provides benefits for workers who suffer a work accident that results in disability or death or a sickness listed as an occupational disease by the ECC. For other illnesses, a claimant must prove the risk of contracting the disease was increased by the working conditions. The benefits provided by the ECC include –

- loss-of-income benefits
- medical services, appliances and supplies
- carer's allowance
- rehabilitation services
- death benefits
- funeral benefits
- the Employees' Compensation Commission Quick Response Team Program is an immediate assistance extended to help workers who suffer from work-connected contingencies or their families who have to deal with work accidents or sudden onset of occupational disease or death, in the form of psycho-social counselling and assistance in the filing of EC claims with the SSS.
- the KaGabay program for occupationally-disabled workers (ODWs) who have lost employment by reason of work-related sickness or injury provides –
  - physical restoration, which means the provision of physical or occupational therapy services to ODWs, including medical appliances
  - skills training for re-employment so that the ODW can acquire new skills but subject to the ODW's potential and residual functional capacity
  - entrepreneurial training to accredited training institutions to enable the ODW to set up home-based businesses.

The benefits of ECP are separate from and supplement those provided by OWWA, but only apply if they are not provided by PhilHealth. EC claims must be filed with an SSS Branch office within a period of three years from the time of the qualifying incident.

At the time of writing the ECP benefits for OFWs had not yet come into effect, and the issues surrounding implementation are not fully known.

Previously, OFWs could voluntarily participate in SSS. Affiliation procedures for social security were simplified for OFWs – a dedicated application form is completed together with a photocopy of any of the following: birth certificate, baptismal certificate, driver's licence, valid passport, Professional Regulation Commission (PRC) Card, or Seaman's Book. In the absence of these documents, any two from a list of over 25 secondary documents can be provided. Finally, the Philippines Social Security System has a number of offices overseas providing direct advice to Filipino nationals. (ISSA, 2014, pp. 34-35).

The Republic Act 11199, also known as the Social Security Act of 2018, which was passed by Congress on 28 November 2018 and signed by President Duterte on 7 February 2019, made membership of the Social Security System compulsory for OFWs. Currently land-based OFWs hold the status of a self-employed person paying both the employee and employer shares. The Department of Foreign Affairs (DFA), and the Department of Labor and Employment (DOLE) are mandated by law to negotiate bilateral labour agreements with OFWs' host countries to ensure that the employers of land-based OFWs pay the required SSS contributions.

On 27 August 2019 overseas Filipino workers (OFWs) filed a petition with the Supreme Court seeking to nullify the requirement for them to pay social security contributions. This led to the elimination of the requirement that SSS be paid before the issue of the Overseas Employment Certificate (OEC), as in the case of PhilHealth. Consequently, only an estimated 1.19 million land-based OFWs are participating in the SSS of the estimated 4 million OFWs – around 30 per cent.

3. Pag-IBIG Fund – Mandatory savings scheme and housing loans

The Pag-IBIG Fund (an acronym which stands for Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industriya at Gobyerno), which is known in English by its original name, the Home Development Mutual Fund was established as a national savings and an affordable shelter financing programme for the Filipino worker. While initially administered by the government, Pag-IBIG is now a private fund with a tripartite governing body including a representative of employers, two representatives of workers, and a representative of the government. It was modelled on the Central Provident Funds of Singapore and Malaysia.

The Republic Act No. 9679, effective 1 January 2010, made membership of the Fund mandatory for all private and public employees (earning more than PHP 1,000 (US$ 21) a month) as well as Overseas Filipino Workers (OFWs).

A Pag-IBIG member is entitled to the following benefits.

Savings

The contributions an OFW member makes are credited to his total accumulated value (TAV) or savings, which are fully guaranteed by the national government.

The member's savings earn annual dividends that are tax-free. The dividend rate varies depending on the net income of the Fund at year end. For 2009, Pag-IBIG declared PHP 8.5 billion (US $176.5 million) in total dividends, giving members a dividend rate of 5 per cent on their savings.

Pag-IBIG savings are also portable, meaning that they remain in the name of the member even if they change employers, work abroad or become self-employed or unemployed.

Members may claim their total accumulated value (TAV) after 20 years of membership with the Fund and a total of 240 monthly contributions. Savings may also be withdrawn before the 20-year maturity on the following grounds:

- retirement
- permanent departure from the country
- permanent or total physical disability
- insanity
- death of the member
- termination from service by reason of health
- optional withdrawal after 10 or 15 years of continuous contributions.

Pag-IBIG is considered a safe place for workers to build savings from their income, since they can earn approximately 4 per cent per annum over 20 years.

Short-term loan

A member is entitled to short-term loans offered by the Fund to help address immediate financial needs (up to 80 per cent). Pag-IBIG has lent 45-50 billion in short term loans.

Housing loan

A member of good standing may obtain a Pag-IBIG home financing loan from the Fund with some of the lowest interest rates on the market, and repayment terms of up to 30 years. The loans have subsidized interest rates, offering 3 to 4 per cent compared to the 6 to 7 per cent market rate. Pag-IBIG housing loans involve low monthly amortizations, making it possible for even low-salary employees to benefit from the programme. Pag-IBIG has lent nearly PHP 70 billion (US$ 1.4 billion) to over 1 million home borrowers.

Pag-IBIG also has a calamity programme under which a member may borrow money when affected by a natural disaster.

The initial monthly contribution is PHP 200 (US$ 4) and online registration is available on the Pag-IBIG website. By law the monthly contributions are 2 per cent of income, with a cap of PHP 5,000 (US$ 104). Members are free to increase contributions to increase savings. Average payment is PHP 100 (US$ 2) per month and the employers of local employees are required to pay an equivalent amount, but this does not apply to OFWs. Contributions may be paid electronically via Pay Maya (similar to PayPal) with a small convenience fee, and members can pay either monthly or two or four times a year.

Pag-IBIG's new savings programme, the "Pag-IBIG 2" [26] is a five-year programme and popular among OFWs. It allows contributors to draw dividends every year as opposed to the P1, which matures after 20 years.

As at November 2019 there are one million actively paying OFWs in Pag-IBIG who have received PHP 4.5 billion (US$ 9.3 million) in loans, and of the 10 per cent of members who receive home loans, 25 per cent are OFWs.

[26] https://www.pagibigfund.gov.ph/Membership_ModifiedPagIBIG2.html

Bibliography

Anderson, K..; Barbone, L. 2013. *International experience on protection of labour migrants' rights and its application to Kyrgyzstan*, Institute of Public Policy and Administration, Working Paper No. 22 (Bishkek, Kyrgyz Republic, University of Central Asia).

Buan, L. 2019. "OFWs run to Supreme Court to contest mandatory SSS contributions," Aug 27, *Rappler*.

Del Rosario, T. 2008. *Best practices in social insurance for migrant workers: The case of Sri Lanka*, ILO Asian Regional Programme on Governance of Labour Migration, Working Paper No.12 (Bangkok, ILO).

Gentilini, U.; Almenfi, M.; Orton, I, et al. 2020. *Social protection and jobs responses to COVID-19:A real-time review of country measures*, "Living paper" version 13 (18 September) (Washington D.C., World Bank).

Government of Nepal, Ministry of Labour, Employment and Social Security. 2020. *Nepal Labour Migration Report 2020*. (Kathmandu).

Hirose, K; Nikač, M.; Tamagno, E. 2011. *Social security for migrant workers: A rights-based approach*. (Hungary, ILO).

International Labour Organization (ILO). 2015. *Establishing Migrant Welfare Funds in Cambodia, Lao PDR and Myanmar*, Policy Brief Issue No. 3 (Bangkok).

—. 2020. *Social protection for migrant workers*.

International Social Security Association (ISSA). 2014. *Handbook on the extension of social security coverage to migrant workers* (Geneva).

Khadka, U. 2020. "Nepal plans to reintegrate returning workers: Given power and funds, local governments can care for returnees better," 15 July, *Nepali Times*.

Kulke ,U. 2006. *Filling the gap of social security for migrant workers: ILO's strategy*, Section VII: Protecting social security rights: Unilateral measures (International Labour Organization (ILO), Geneva).

Levitt, P.; Viterna, J.; Mueller, A.; Lloyd, C. 2017. *Transnational social protection: Setting the agenda*, Oxford Development Studies, 45:1, 2-19 (Oxford, U.K., Oxford University); DOI: 10.1080/13600818.2016.1239702.

Mekong Migration Network (MMN). 2019. *Social Protection Across Borders: Roles of Mekong Countries of Origin in Protecting Migrants' Rights* (Chiang Mai).

Ministry of Labour (MOL), Thailand. 2018. "Suggest! Thai Workers Register Fund to Help Job Seekers to Work Abroad Extremely Beneficial! Paid one time protection throughout the employment period".

Myanmar Times. 2020. "Myanmar govt launches insurance for workers employment in Thailand", 7 Jan. 2021.

The Nation. 2020. "Overseas Thai workers urged to join fund to avail of compensation in emergencies."

The Nation. 2020. "Big jump in Thai labourers heading overseas for work."

Olivier, M. 2017. *Social protection for migrant workers abroad: Addressing the deficit via country-of-origin unilateral measures?* (International Organization of Migration (IOM), Geneva).

Van Panhuys, Clara. & Aoul, Samia Kazi & Binette, Geneviève., 2017. *Migrant access to social protection under Bilateral Labour Agreements: A review of 120 countries and nine bilateral arrangements*, Extension of Social Security (ESS). Working Paper No. 57 (Geneva, ILO).

Patag, K.J. 2020 "Duterte wants speedy creation of OFW agency stuck for funding woes," *Phil Star*.

Prasain, S.; Mandal, C. K. 2020. "Supreme Court orders government to use welfare fund to repatriate Nepali workers stranded abroad" June 17, Kathmandu Post.

Robles, R. 2020. "Overseas Filipino workers won't have to pay health insurance premiums for now: Duterte", *South China Morning Post.*

Ruiz, N; Agunias, D.R. 2008. *Protecting temporary workers: Migrant welfare funds from developing countries*, Migration and Development Brief No. 7, 24 Oct. (Washington D.C., World Bank).

United Nations Department of Economic and Social Affairs (UNDESA), Division for Inclusive Social Development. 2018. *Report on the World Social Situation 2018 - Promoting inclusion through social protection*, Chapter VI: International migrants: carrying their own weight (New York, NY).

World Bank Group. 2019. *Potential responses to the COVID-19 outbreak in support of migrant workers* "Living Paper" Version 10 (June 19, 2020) (Washington D.C.).