

Dynamics of international labour migration of Sri Lanka

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Abstract

The objective of this study is to examine the recent patterns of international labour migration dynamics of Sri Lanka to understand the issues related to the recent migration. The study primarily relies on secondary data collected from a number of public authorities. The descriptive approach is employed in analyzing data to achieve the objective. Results of the study show that international migration has been rapidly increasing during past years. Migration stock and flow of Sri Lanka have been highly represented by female migrants. However, with the government intervention in the past few years, the proportionate of female migrants in the migration flow has decreased. Middle East as the common destination absorbs a significantly large share of the labour migrants. However, a proper labour market analysis is essential to identify emerging labour markets to gain the maximum benefit of labour migration. While remittances make a strong economic impact, a significant social impact of the labour migration in the country can be observed.

Keywords: Labour Migration, structural change, labour force, female participation

Introduction

Migration is a movement that involves a permanent or semi-permanent change of residence from one geographical boundary to another. Migration between two countries refers to international migration while across administrative boundaries within a country refers to internal migration. According to the International Convention on Migrant Worker's fact Sheet No.24, a migrant worker is "*a person, who is to be engaged, is engaged or has been engaged in a remunerated activity in a state of which he or she is not a national*" (UN2005, pp.04). Most migrants, internal and international, reap gains in the form of higher incomes, better access to education and health, and wellbeing of their children (Lee 1969; Zelinsky 1971). United Nations estimates that 3.2 percent of the world population were international migrants in 2013. The absolute number of international migrants in the world was estimated as 221 million in year 2010 and increased to 232 million by 2013 (UN, 2013). Population movements within and beyond country boundaries have increased, particularly during the last two to three decades. Some of the major causes of such migratory trends are increasing globalization, economic interdependence,

rapid population growth, ecological deterioration, civil war, ethnic and religious conflicts and increased poverty.

International migration in Sri Lanka too has grown and become more important over the past few decades. A large Sri Lankan Diaspora is spread far and wide in many continents and the majority of the Diaspora is permanently settled in green pastures. The current annual international labour out-migration stands over 232,000¹ and the total number of persons employed overseas under contractual agreements is estimated to be around 1.9 million and their remittances have been reported as US\$ 6000 million, in Sri Lanka (Central Bank, 2013).

The rate of unemployment in Sri Lanka has declined significantly during the past few decades, primarily due to the fact that large number of persons found employment opportunities in foreign destinations. Even though the state recognizes the importance of labor migration for national development the nexus between labour migration and development has not been adequately demonstrated in Sri Lanka. Within this environment, it is considered vital to investigate the recent patterns of international migration dynamics of Sri Lanka in detail in order to understand the issues related to recent migration.

Review of Literature

The theory of labour migration has been developing for a long time. The neoclassical theory of the migration can be considered as the first attempt to explain the labour migration. As shown by Lewis (1954) labour migration is the process that can be used to achieve balanced growth. Harris and Todaro in 1970 enriched the neoclassical theory of labour migration extending the main features of the Lewis model. Human capital theory of labour migration turned the path of migration studies. It integrated the concept of human capital development into the neoclassical theory of labour migration. Recent literature is enriched by the theory of New Economics of Labour Migration (NELM). It can be considered as the more comprehensive theory which focuses on the both macroeconomic and microeconomic aspects of migration.

Both neoclassical theory and the Harris-Todaro model focus on internal labour migration while human capital theory and NELM focus on international labour migration. Conventional theories focus on the labour migration as a strategy for macroeconomic development. They have not

¹ SLBFE (2012)

discussed the household-level aspects and the benefits. Neoclassical theory explains the labour migration and the balanced growth (Lewis, 1954). Harris and Todaro examine the earning differences between the industrial and agricultural sectors. Human capital theory examines the monetary and non-monetary costs and benefits determining labour migration (Sjaasted 1962, pg. 80-93). Contrasting to these three theories, the theory of NELM focuses on both macro level and the household level impacts of migration (Massey, et al., 1993 pp.458). NELM has a multidimensional approach. It examines the areas of labour migration that is not discussed in the conventional theories. Literature on migration is rich in both theoretical and empirical literature. However, remittances have become a centre for discussion in the past two decades.

Data and limitations

The study primarily relies on the secondary data which are collected by the Sri Lanka Bureau of Foreign Employment (SLBFE), the Ministry of Foreign Employment Promotion and Welfare, the Ministry of Health and the Department of Immigration and Emigration. Data gathering through secondary sources is utilized to compile the information necessary to understand the trends of migration and also to identify the sectors in which most of the Sri Lankan workers are employed. This study relies upon a variety of reports and materials originating from academia, non-government organizations as well as government of Sri Lanka. Primary data for the study was gathered through ten key informant interviews, representing the SLBFE, Department of Immigration and Emigration, and academia.

As per to the key informant interviews, primarily due to the following reasons, the total number of workers from Sri Lanka would be higher than what has already been reported. First, some individuals depart from Sri Lankan airports as tourists but finally ended-up in working in some foreign labor markets, for instance, a significant number of Sri Lankan temporary migrants work in Japan for long durations (Karunaratne,2007). Some even take tourist visas to countries such as India, where they could work or even obtain an opportunity to enter into a third country as a tourist or as a worker. Second, some persons depart from Sri Lanka in unauthorized manner, for instance irregular (undocumented) migrants, travelling from Negambo town in Sri Lanka to Europe through illegal boat services, finally ending in working in Italy or France. In the same time during the period of civil strife in the North and East Provinces of Sri Lanka a sizeable number of Sri Lankan Tamils went to South India as refugees and some have worked there and some returned to Sri Lanka. Some moved to greener pastures for employment and others assimilated permanently to Indian labor markets. Third, those who obtain student visa, after completion of their studentship, some tend to overstay and enter into labour markets there. Finally very large

proportion of Sri Lankan professionals and skilled migrants, who find employment in the Western world, do not register with the SLBFE. It is largely semi-skilled and unskilled workers who move to the Middle East and East Asian regions register with the Bureau (Key informant interviews).

The statistical database developed by the SLBFE on migrant workers of Sri Lanka is based on their registration procedures only. A certain amount of under-registration of migrant workers exists in this whole phenomenon. The SLBFE has collected data on the out-migration of Sri Lankan workers, but no statistics have been collected for the return of such migrants. Nevertheless, according to the key informants, the volume of return migrants in recent years from West Asian countries to Sri Lanka has been increasing gradually.

International migration- Past trends

While Sri Lanka has always been a country of immigration during different periods in history, today, the country has emerged as a unique case of large scale emigration. These international migration dynamics had significant implications on the growth of the population and socio-economic and cultural aspects of the Sri Lankan society.

International migration was a determinant of the population growth in Sri Lanka during the colonial era due to the South Indian immigrant labour brought to work in the plantation sector by the British colonial government. Migration to foreign destinations from Sri Lanka had been negligible during the colonial era (United Nations 1976). It is recorded that 67 percent of the population increased during the inter-censal period 1871 to 1881 was due to emigration of people of South Indian origin. The net immigration rate of the country was positive up to 1953. However, since the late 1950s, the contribution of immigration has declined while emigration has kept on increasing causing international migration a negative effect on the population growth of the country. That was mainly due to two reasons first, the repatriation of the segment of South Indian immigrant labour under the Sirima - Shastri Pact of 1964 and second, the rise in foreign employment demand for Sri Lankan skilled manpower from developed nations (United Nations 1976).

The key feature in international labour out-migration during 1950s, 1960s and early half of 1970s was the migration of educated persons and their families to Europe, UK, Australia, Canada and United States due to the removal of immigration barriers that had been operating against Asian immigration (Gamburd, 2000). Thus, the situation caused an extensive outflow of professionally and technically qualified manpower that brought the negative experience of 'brain drain' to the country, since 1960s. Apart from the international labour migration, some Sri Lankans continue to obtain tourist visas to visit countries such as India, from where they subsequently travel to make

a semi-permanent or permanent home in a third country of a better economic status. During the last two years, there was a large number of arrests of young men who attempted to sail out of the country illegally, by boats, largely to reach European countries and Australia. The volume of these undocumented (irregular migrants) boat travellers who left the country successfully could not be obtained.

High rate of population growth that Sri Lanka experienced during 1950s and 1960s created a problem of absorption of educated manpower to the labour market in 1970s due to a stagnant economy (Jayaweera, 1991). Since the late 1970s international labour out-migration has been identified as a means of creating additional employment opportunities for such unutilized labour (Karunaratne, 2007). The mass contract labour migration from Sri Lanka commenced in 1976, with the first major rise in oil prices in Middle Eastern countries (Korale, 1985). Initially, high demand in such countries was for males to work in construction sites and later largely absorbed females for domestic work (housemaids). During the 1970s the total net out-migration was about 107,000 migrants per year and the net migration rate was -3.4 per thousand people and the trend has been further continued to later decades.

International migration - Recent trends

Since the post-1960s, Sri Lanka has witnessed a gradual increase in the number of semi and low-skilled labour migrants compared to its initial supply of skilled migrants. Some of the main reasons behind this exodus of labour migrants are the internal adoption of open market policies and the persistent demand for Sri Lankan labour in the Middle Eastern region. The demand for skilled, semi-skilled and low-skilled migrant workers depends heavily on the requirements of labour markets of the receiving countries as well as the changes occurring at the global sphere. Despite the internal labour shortages, the number of Sri Lankans going abroad as workers has increased annually. Starting at 14,456 in 1986 gradually increased to 162,576 in 1996 and despite the decrease in 1997, the number steadily grew to 282,331 in 2012 (Table 1). Since year 2002, the annual labour migration stands well over 200,000.

Table 1: Departure for foreign employment, Sri Lanka

Year	Male		Female		Total
	Number	%	Number	%	
1986	11023	76.25	3433	23.75	14456
1995	46021	26.68	126468	73.32	172489
1996	43112	26.52	119464	73.48	162576
1997	37552	24.99	112731	75.01	150283
1998	53867	33.71	105949	66.29	159816
1999	63720	35.45	116015	64.55	179735
2000	59793	32.82	122395	67.18	182188
2001	59807	32.50	124200	67.50	184007
2002	70522	34.61	133251	65.39	203773
2003	74508	35.51	135338	64.49	209846
2004	80699	37.59	134010	62.41	214709
2005	93896	40.60	137394	59.40	231290
2006	90170	44.65	111778	55.35	201948
2007	103476	47.37	114983	52.63	218459
2008	128232	51.19	122267	48.81	250499
2009	119381	48.31	127745	51.69	247126
2010	136850	51.16	130657	48.84	267507
2011	136307	51.84	126654	48.16	262961
2012	143784	50.93	138547	49.07	282331

Source: Sri Lanka Bureau of Foreign Employment (2013).

The total number of departures for foreign employment in 2009 is 247,126 which indicates a decline in number in comparison to the record of 250,499 in 2008. This could be partly explained by the reported decline of 22.9% of job orders received in comparison to 2008. The total number of migrant workers reported for the years 2011 and 2012 is 262,961 and 282,331 indicate a rising trend again (SLFEB, 2012). Presumably the actual numbers of migrant workers are far higher than the recorded number, given that a large number of them migrate through unregistered sources and personal contacts. Some do not see the need to register with the SLBFE prior to their departure, even though it is mandatory, because they have already secured employment.

The future trends in international labour migration from Sri Lanka is basically depend on the demand for foreign labour in Middle East and elsewhere and as to what extent Sri Lanka could supply that labour to those countries under competitive environment. Demographic trends in most of the European Union and East Asian countries demonstrate labour shortages at present or in near future, thus they expect to fulfill that requirement from labour sending countries including Sri Lanka (Guardia and Pichelman, 2006).

Similar to those of the other migrant sending countries, the government of Sri Lanka too believes in the positive attributes of migration i.e reduction of unemployment at home, overall reduction of poverty due to its migrant worker remittances. Although this large migratory movement, which dominated by females, has created many serious problems within the Sri Lankan society, it has been playing a significant role in foreign exchange earnings.

Structural Changes in Labour Migration Flow

It is not only the number of persons migrating for work abroad has increased at rapid pace their profile also changed significantly over the last few decades. The age and sex structure, manpower categories and the origin and destinations of the migrants are changing in a significant manner.

Age and sex structure

With the adoption of open economy in 1977 international labour migration from Sri Lanka to Middle East countries was initiated. Trends of international labour migration in Sri Lanka as shown in table 1 depicts that there has been an increase in the volume of contract migrants of both males and females with few fluctuations over the last few decades.

In the mid 1980s, males were dominants in the flow of contract labour migration. Confirming the theoretical understanding on gender issues on migration (Lee, 1969), until mid 1980s males took the risk of migrating to labour demanding countries (Jayaweera and Dias, 2011).However, since late 1980s, females have become dominant, which again match with the theoretical aspects of migration. Once females noticed that there is no serious risk of migration to those destinations they started to migrate with very large numbers. Of the total migrants, females accounted for 23 per cent in 1986, but by 1995 the female component increased to 73 per cent of the total. However, their dominance in migration was reversed in a couple of years in the recent past that is in 2008, and 2010-2012. In comparison to the female migration for foreign employment, the

male migration has increased to 51 per cent of the total migrants during 2007 to 2012 except in 2009 (Table 1). Of the many countries in Asia, that supply labour to the foreign markets, the proportion of females in Sri Lankan migration streams is found to be significantly higher than that of any other Asian country (Siddique, 2008).

As noted in migration theories, young adults tend to migrate more than others (Ravenstein, 1885). Among the international labour migrants of Sri Lanka the highest proportion is found to be from 25-29 age group. It is also important to note that about 70 per cent of the female migrants are in the prime reproductive age group of 20-39 years (Table 2).

Table 2: Departure for foreign employment by age and sex, Sri Lanka

Age Group	Average (2005-2010)		
	Male (%)	Female (%)	Total
19 & below	1.5	1.6	1.5
20-24	17.3	13.2	15.1
25-29	25.3	19.5	22.2
30-34	16.9	18.2	17.7
35-39	13.5	16.9	15.3
40-44	9.6	15.3	12.7
45-49	6.7	9.3	8.1
50 & above	6.1	5.0	5.5
Not identified	3.0	1.1	1.8
Total	100.0	100.0	100.0

Source: Information Technology Division – SLBFE.

It has also been found that among female migrants overwhelmingly large proportion is married and has sizable number of children at the time of migration (De Silva and Siriwardhane 2014(b)).

Manpower Categories

For the past decade and more, the majority of the female workers have migrated towards the Middle Eastern region as housemaids. Current statistics with this regard do not vary much in comparison to the past few years. The total number of 119,052 women left the country under this category in 2012 which indicates a continued increasing trend since 2006, despite 2010. This is about 42 percent of the labour migration flow. Females have also migrated under other skilled

categories such as; for professions like nurses, garment factory workers, waitresses, cashiers, assistants, hair dressers, beauticians, teachers etc. However, female migrant population is still dominated by the housemaid category (Table 3).

Table 3: Manpower categories for 2000 and 2012 by male and female

Manpower Level	2009		2010		2011		2012	
	Female	Male	Female	Male	Female	Male	Female	Male
Professional	134	2698	134	2923	227	3617	427	4018
Skilled	5380	55941	6417	65120	6578	61148	7297	59781
Semi-Skilled	361	5654	562	4370	440	3740	457	3008
Middle Level	984	5404	903	5981	678	5456	554	8274
Clerical & Related	842	5877	927	6996	1113	8793	1190	14976
Unskilled	6366	43807	8962	51460	10127	53553	9750	53277
Housemaid	113678	-	112752	-	107491		119052	-
Total	127745	119381	130657	136850	126654	136307	138547	143784
	247126		267507		262961		282331	

The male workers have migrated under professions like heavy/light vehicle drivers, carpenters, masons, electricians, technicians, welders, cooks, storekeepers, mechanical engineers, accountants, sales workers etc. According to the interviews conducted with SLBFE key informants, Sri Lanka is overly dependent on its unskilled/low-skilled migrant workers and their remittances. As per its own data between 1994 and 2012, the share of low skilled workers constituted between 37 and 46 per cent of all male migrant workers. However, migration statistics related to middle-level and skilled categories need to be analyzed carefully due to their incompleteness of them. SLBFE statistics contain the information related to the labour migrants who register in the bureau before departure. If the unregistered migrants are taken into account, the total number of skill migration would be much higher (IPS, 2008).

The current Sri Lanka's National Migration Policy highlights the state's wishes to promote skilled worker migration in order to link longer term vision of development into the migratory process. Hence one can assume that in the longer run, given all prerequisites for such promotions are undertaken, the current trend of low skilled migration and housemaid category will diminish while middle level and professional level migration trends increase in numbers.

Current Destinations and demand for labour migrants

In the recent past, the main receiving countries of Sri Lanka's labour were in the Middle East. The majority of Sri Lankan migrant labour (around 88 percent), was received by Saudi Arabia, Qatar, Kuwait, U.A.E. and Jordan in 2012 (Table 4). Current Sri Lankan labour migration to European countries remains very low, however, Italy and Cyprus stand out as destinations preferred by many.

Table 4: Departure for Foreign Employment to Selected Countries in Middle East 1997-2012

Year	Middle East								Asia	
	Saudi Arabia	Kuwait	UAE	Lebanon	Jordan	Qatar	Oman	Bahrain	South Korea	Maldives
1997	32.1	25.3	15.9	7.8	2.4	6.2	2.8	2.2	0.7	1.6
1998	37.2	18.0	13.7	8.5	2.4	7.9	2.7	4.5	0.3	1.8
1999	35.4	18.7	16.8	3.8	3.9	6.4	5.8	3.1	0.3	1.9
2000	33.7	18.5	18.0	7.2	4.0	6.7	2.7	3.6	0.5	1.7
2001	36.2	19.1	15.4	8.4	4.4	7.6	2.0	2.0	0.2	1.3
2002	35.1	20.5	16.1	6.2	3.2	10.2	1.8	2.2	0.3	1.4
2003	36.3	18.4	15.4	6.3	3.4	11.3	2.0	1.8	1.0	1.5
2004	33.2	17.1	15.3	8.3	4.1	14.0	1.6	1.8	0.6	1.2
2005	32.9	15.6	15.7	7.1	3.6	15.5	1.5	1.6	2.1	1.2
2006	30.4	17.2	16.7	3.4	4.0	15.6	2.1	2.2	1.8	1.7
2007	27.7	18.8	17.9	3.2	3.9	17.8	1.8	2.3	1.2	1.8
2008	26.9	18.7	20.4	2.0	4.1	15.8	1.9	1.9	2.8	1.7
2009	31.5	17.1	16.0	2.4	3.7	17.8	2.2	2.4	1.6	1.6
2010	26.5	18.0	15.8	2.3	3.5	20.4	2.4	2.6	2.0	1.6
2011	26.1	19.3	15.0	2.0	5.0	20.1	2.0	2.1	2.8	1.6
2012	34.7	15.7	13.5	2.0	3.7	20.4	1.4	1.6	2.0	1.4

Source: SLBFE Annual Statistical Reports, various issues

Despite continued attraction towards Gulf Cooperation Council (GCC) Countries, countries like South Korea, Maldives, Cyprus and Malaysia have gained prominence in the recent past. South

Korea is attraction of unskilled male migrants, while Maldives absorb skilled male migrants. Cyprus on the other hand, is a popular destination for housemaids. However, labour migration for Asian countries such as South Korea and Maldives, accounts less than 5 percent of the total departures.

The demand for foreign labour cannot be projected precisely primarily due its complex nature. More developed countries that experience a shortage of workers with particular skills may not find it politically and socially desirable to invite foreign workers to solve the shortage. The common stance is to manage immigration and adopts measures to mitigate the shortage. There are different alternative measures that could be adopted. For instance, they may intervene and increase wages to clear the market; enhance technical improvements that reduce labour input; impose high tax on work permits to increase the effective cost of migrant worker. Alternatively such countries may provide incentives to increase domestic labour supply by extending retirement age, encouraging more women to participate in the labour force etc. Also as a long term strategy governments may attempt to raise fertility rate by attractive maternity and paternity leave, cash grant for having an extra child and setting up standard child care centers (Athukorala, 2005).

Although most of the countries adopt one or more of the above stated strategies to have viable local labour force, in reality several factors are expected to exert pressure on wealthier countries to increase their reliance on foreign workers. Of those factors, ageing of their population, global competitiveness and the expansion of affluent class and its demand for services are noted to be prominent.

Recruitment of foreign workers depends on the labour needs of the destination countries and the attitude towards workers from other countries. Majority of the countries who are experiencing labour shortages at present or are expecting it in the near future are faced with heavy competition of the labour sending countries. As a step to manage the inflow of workers most countries have adopted or are in the process of adopting clear immigration policies that outline selection processes for the temporary workers. Most of the labour receiving countries started out with absorption of low and middle skilled workers to fill their internal labour market shortages. However this trend is changing as majority of the recipient countries are not more receptive towards skilled and highly skilled workers. At present and at foreseeable future the demand for Sri Lankan low and middle skilled workers in Middle East will remain high. However keeping in line with the current government policy and vision, it is vital that Sri Lanka diversify its market opportunities. At a time where demand for skilled and professionals is apparent across the world markets, Sri

Lanka needs to reformulate and develop strategies through which it can match its current as well as future capacity in supply.

Social and Economic Impact

Social impact

Of many dimensions of cost arising from labour migration, the lack of protection and welfare for workers, and social and psychological costs associated with migrant and their left behind families is significant. Naturally social impact of female labour migration has become a center for discussion than that of male migration. Majority of those who leave the island as housemaids are married females who have minimal educational qualifications. Most of them have minimal exposure even within the country given they come mainly from rural areas. Feminization of labour in the migrant flow has caused numerous negative consequences to the migrants and their families left behind (Yamanak and Piper, 2005).

By going abroad migrants leave their families behind. Their children are often placed under the care of their spouse or relatives (frequently grandparents), and in most cases both. Separation of the one of the parents affect the educational performances of the children left behind (De Silva and Siriwardhane, 2014 (b)). Hence, these children tend to drop out from school and are prone to negative influences due to neglect. Some are subjected to abuse and regular sexual harassments. By the time these mothers return, the families are often subjected irreparable damage (Ukwatta, 2010).

Another more prominent impact is made by the sudden increase of income in the family. The workers who go abroad send their money back with the hope of it being properly utilized. The sudden surge of income have made the majority of the family spending extravagantly without much attention paid to the basic necessities and priorities of the family. Gamburd (1995) show that the through the remittances sent by the women, left-behind fathers and husbands enjoy new social privileges. Some find their husbands turned into alcoholics who have wasted the money so hardly earned, while some experience family breakups due to straying husbands. Most of the time, these women return to find shattered families that are in far worse conditions than the ones they were left with. Many times these women opt to go abroad again hoping to rescue their families from far worse destitution than before. However as per more recent literature high proportion of migrants send the money to refurbish or extend their housing unit, construct new house or to buy a bear land (Koc and Onan 2001; Tullao and Rivera 2008).

There are serious issues related to the migration of underage and very young females to foreign destinations for employment, particularly for housemaid category. Their life experiences are limited and poses very limited knowledge about their work environments. Thus a significant number encounter with problems at workplaces and also at origin. By considering this situation, particularly after the assassination incidence of 18 year girl Rizana in Saudi Arabia in early 2013, as a protective measure, the government has recently introduced new restrictions on female migration.

The government of Sri Lanka has adopted a new policy with regard to the legal age of those who are migrating as domestic workers. From January 2011, the accepted legal age is set to be 21 rather than 18 (Johnsons, 2011). In order to provide some relief and to assist migrant workers through better welfare benefits, SLBFE has introduced Sahana insurance scheme, sesatha retirement benefits plan, social insurance scheme and scholarships for the children of the migrant workers. However, these schemes are still not full operational and its coverage is still very marginal (key informants).

Nexus between Migration and Development

Migration has always been, and will always be an integral part of development (Skeldon, 2008). Revenstein, who considers being the father of modern migration scenario, observed that *“migration increases as industries and commerce develop and transport improves”* (Grigg, 1977). Lewis (1954); Ranis and Fei (1961) and Harris and Todaro (1970) explained the development impact of labour migration. According to them, migration is resulted in a balanced growth in both subsistence and industrial sectors. Recent studies on labour migration work on the nexus between migration and development related to developing countries has discussed about remittances (World Bank 2006; Maimbo and Ratha, 2005). There is a need to research on migration and development beyond remittances (Skeldon, 2004). However, the sheer magnitude of remittances undoubtedly has attracted many researchers to study the impact of remittances on development in migrant-sending countries.

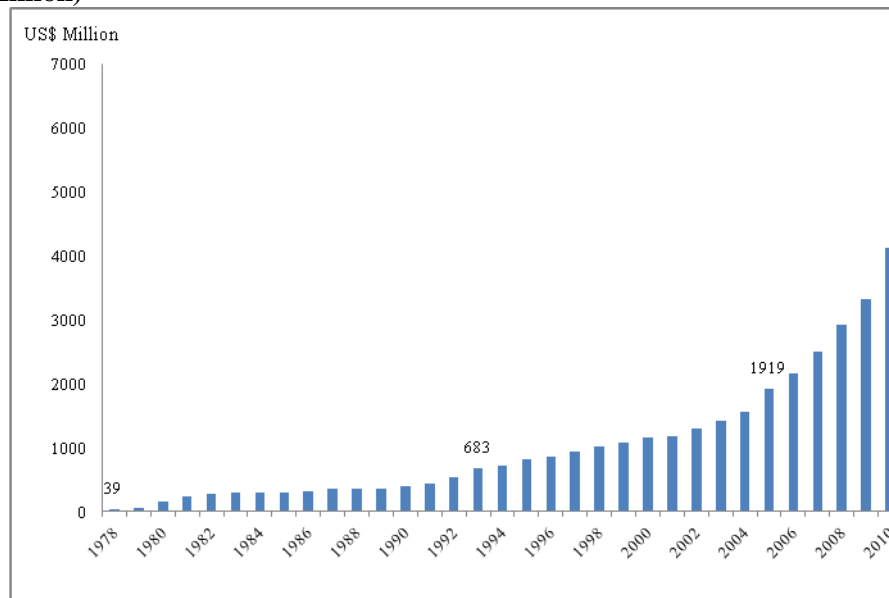
Remittances

Foreign employment of Sri Lankans has helped the economic situation back at home immensely. As mentioned earlier, this is mainly due to the worker remittances that have played as major

income revenue of the government in the mode of foreign exchange earnings. The remittances are made mainly through the Sri Lankan workers employed in the middle, low skilled and housemaid categories abroad. Even though professionals and high skilled personal earn more in terms of income, their remittances remain next to nil. This could be due to the high consumption or investments outside Sri Lanka that would seem more lucrative to them. The available data on remittances cover only the private transfers carried through the banking system and does not account for the inflow of money through informal channels such as carried in person, cash sent through friends. According to the World Bank, model-based estimates and household surveys suggest that the unidentified extent of remittances flowing through informal channels across countries may add at least 50 per cent to official estimates. For instance studies in Bangladesh suggested that only about 46 per cent of remittances sent back to villages flowed through formal channels (Siddique, 2003). However, in the Sri Lankan case, remittances are hardly send through informal channels such as Undhi or Hawala (Key Informant Interviews).

Apart from the remittances most of the labour migrants when they returned to Sri Lanka permanently or for holiday tend to bring valuable items including electronic/ electrical, gold etc. Most of these items are latter sold for cash and this income is hardly captured in research.

Figure 1: International Worker Remittances to Sri Lanka 1980-2012
(US\$ Million)



Source: Central Bank Annual Reports

The worker remittances have played as major income revenue of the government in the mode of foreign exchange earnings. The remittances rose from US\$ 140 million in 1980 to US\$ 2500 million in 2008 (Figure 1). In the year 2008, the worker remittances amounted to 7.1 per cent of the GDP and 36 per cent of the total export earnings (Central Bank, 2010). Indicating the importance of international labour migration to the economy of Sri Lanka by 2010, its remittances have increased to 7.3 percent of the GDP and 50 per cent of the total foreign earnings. In 2012, the Sri Lankan government received US\$ 5,985 million as remittances compared to the USD 999 million received in 2000 (Central Bank, 2013).

As estimated by the Central Bank of Sri Lanka, the Sri Lankan government is expecting to receive US\$ 7 billion by 2016. As per to this target there is an attempt to send more skilled category of labour migrants not only to the Middle East but also to other foreign labour markets where labour shortages exist. In a situation which the volume of labour migrants are increasing, male dominance and higher wages could presumably significantly contribute to achieve this US \$ 7 Billion target.

As common with many migrant sending countries in South Asia, in Sri Lanka too, remittances have outpaced other international financial flows such as official development assistance (ODA) and foreign direct investment (FDI). Without remittances, the economy of Sri Lanka would have been much more problematic (Central Bank, 2013).

Poverty Alleviation

At the macro level, it is expected that migration, through remittances, could contribute to poverty alleviation in the migrant-sending countries. In Sri Lanka, over the many years, poverty has declined significantly. Migration is an expression of the resolve of people to escape poverty. In other words, when asked about the determinants of migration, an overwhelmingly large proportion of migrants will simply answer 'poverty'. Then, it is pertinent to answer the question as to whether migration will reduces significantly when the poverty level reduces drastically. Presumably, as migration has only a partial impact on the direct reduction of poverty and a greater impact on the indirect reduction of poverty, adequate development policies, which would best utilize migrants' remittance, and skills of returned migrants, are even more important than specific migration policies.

Table 5: Poverty Indicators in Sri Lanka

Year	Percentage of population below poverty line	Poverty Gap Index
1990/91	26.1	5.6
1995/96	28.8	6.6
2002	22.7	5.1
2006/07	15.2	3.1
2012/13	6.7	1.2

Source: Department of Census and Statistics

Furthermore, the earnings of migrant workers, used appropriately, have undoubtedly had a positive impact on certain aspects of family life; the higher rate of income results in higher living standards (Haas, 2005). However, once accustomed, some of the migrants are unable to maintain these standards that result in them ending up either migrating again or entering to the local labour markets.

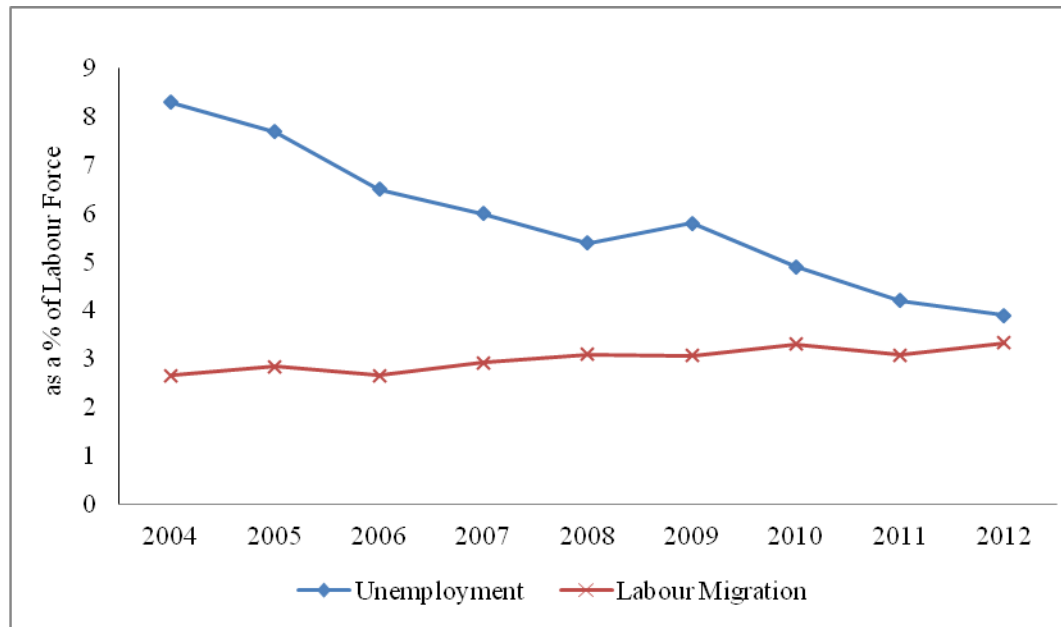
Impact of labour Migration on Local Labour Force

It is meaningful to place migration in the context of the labour force because its economic implications very much depend on the flexibility of the labour market. If the local labour market is at full employment, migration would result in an increased wage rate and lower domestic employment. On the other hand if there is unemployment, the outflow may be replenished from the rank of the unemployed and have the wage rate unchanged.

Undoubtedly, the trends and patterns of overseas labour migration of Sri Lankans have made a significant impact on the supply of male and female labour to the local labour market. Migration for foreign employment has created a sizable shortage of workers in the specific sectors of the economy and thereby overall productivity issues. For instance, migration of females from the estate sector has created severe labour shortages in the tea and rubber plantation sectors.

In addition to the government revenue earnings, the emigration of workers has eased unemployment at home while encouraging the return of new skills to improve the standards of the outgoing workers. At the initial period of labour migration from Sri Lanka, the rate of unemployment was significantly high. However, by 2012 the rate has declined to 3.9 (figure 2).

Figure 2: Labour Migration and Unemployment in Sri Lanka, 2004-2012



Source: Annual Labour Force Survey, 2012, Department of Census and Statistics

The total number of unemployed persons was estimated to be around 336,000 persons during 2012. The unemployment rate among the female labour force is drastically higher (6.2 percent) than that of the males (2.8 percent). This reveals that unemployment among females is higher in all age groups. Comparing the past data, the unemployment rates of females have declined from 13.2 percent in 2003 to 8.6 percent in 2009 and 6.2 percent in 2012.

The market statistics also reveals severe unemployment trends among the educated youth which is significantly higher among the female youth than that of males (Jayaweera, 1991). Looking at unemployment from an educational point of view, it is higher among those with qualifications of G.C.E. (A/L) and above. It is followed by G.C.E. (O/L) qualification holders. This stagnant trend could be due to 1) the mismatch between the skills attained and those are actually in demand and 2) the mismatch between the skills taught and the aspirations of the educated. Unable to find suitable employment in the country, many educated youth take migration to Middle-East and elsewhere as a serious option. This can be further clarified through a fact that when there was a selection of 4000 males to work in South Korea there was more than 60,000 males appeared for the selection test (Key Informant Interviews).

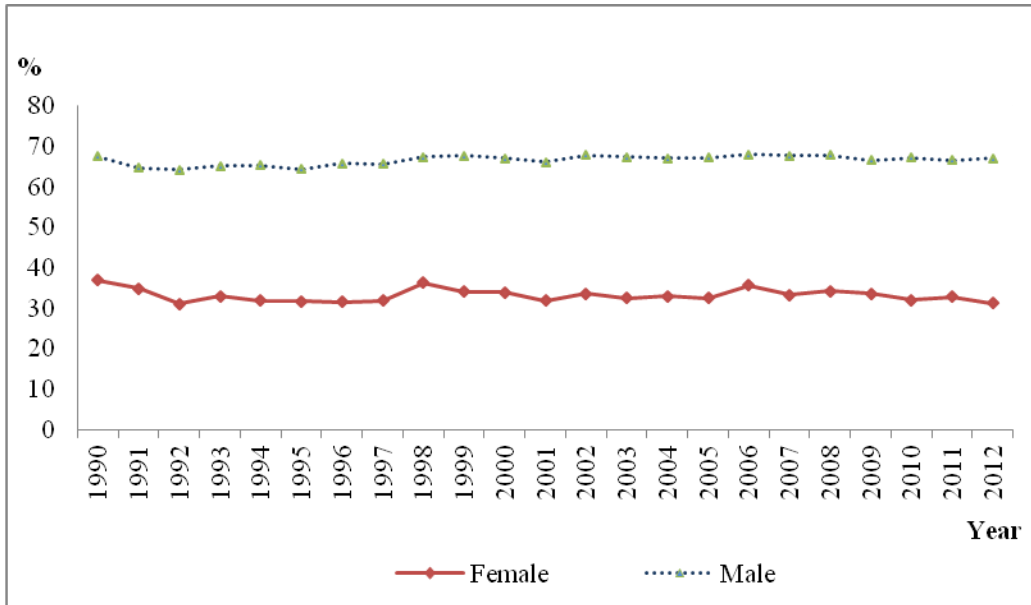
The strong desire among Sri Lankan youth to find employment in labour demanding countries could be highlighted by a finding of the 'Youth Survey of Sri Lanka', which was conducted in 2009 by the University of Colombo (Hettige, 2014). This study which conducted in 22 districts of Sri Lanka with a sample of almost 3000 youth in the 15-29 years old and almost 51 percent indicated that they intend to find employment in a foreign country. Of these male youth, 63 percent indicated their wish to work overseas. Also, over 71 percent of the youth in the Northern Province express their desire for overseas employment. These intentions are required to be considered by the policy planners carefully for the well-being of these young people and their families.

One may argue in an era of globalization some proportion of youth in any developing country could indicate the same. However, in Sri Lanka almost half of the youth wants to find employment highlights some other serious issues. These youth may feel the inability of the state to provide suitable employment opportunities to them and distrust the state. This distrust may lead to a variety of social ills in the country, which may counter-react the national development.

Of the local labour market changes concerned one important dimension is female participation in the local labour market. During the past many years, it has been noted that female participation in the local labor market has not improved and remains at a significantly low level compared to many Asian countries (De Silva and Siriwardhane, 2014).

Why Female Participation is not improving?

Of the total labour force (local) of 8.5 million in 2012 about 67 percent is represented by males and the balance is represented by females (table 6). Highlighting the gender difference in economic activities, male labour force participation is marked as high as 66.8 percent while the corresponding female rate is only 29.9 percent. Interestingly in 1990 about 37 percent of the female working-age population (10 years and above population) participated in the labor force. Gender differences in labour force participation are analyzed two salient features could be noted. First female participation is significantly lower compared to their male counterparts and secondly, female participation it-self demonstrates a marginal decline since 1990 (Figure 3).

Figure 3: Labour Force Participation by Gender in Sri Lanka 1990-2012 (%)

Source: Labour Force Surveys, Department of Census and Statistics

Generally, in most of the countries in the world, female labour force participation is lower than that of male participation. However, the gap between these two would have been narrowing with economic development, increasing trends in information and communication technology, tendency of the women to complete higher levels of education and the changing attitudes and socio-cultural backgrounds in the world. Even though the female education level as well as information and communication technology levels in Sri Lanka have grown in the recent past, female labor force participation is still at a lower level.

Migration of females to foreign employment could also be impacted on the local labour market negatively in two different ways. The more direct impact is, due to the finding of employment in foreign markets they are not available to the local markets. However, it should be noted that in the case of female overseas labour migrants, only about 20-25 per cent was employed in the local labour market before their departure to the Middle-East. The proportion of returned female migrants who enter the local labour market is not known.

The other impact comes through the remittances. Overwhelmingly a large proportion of women who enter into foreign employment is married and have children (De Silva and Siriwardhane, 2014 (b)). Particularly these children are at young ages and require special care from their close female relatives in general. Since migrants send money to their households regularly in order to provide

appropriate care for the left behind children in many occasions another female is requested or accept voluntarily that responsibility. Under these circumstances, she is unable to enter into the local labour force. This opportunity cost is compensated financially by mothers in abroad. Due to the aforementioned reasons female labour force participation in Sri Lanka is not improving, in fact, that is declining.

During the initial period of labour migration males were dominant in the annual departures; however since 1986 the reverse occurred. But again during the recent past males are slightly more than females. The stock of Sri Lanka migrant workers are concerned almost 60 percent identified to be females.

In Sri Lanka, the majority of households are nuclear (De Silva, 2005). Hence, when a husband migrates for foreign employment, the responsibility of domestic work is naturally centered towards his wife. Thus one could argue that this new trend could also influence female participation in the local labour force. Almost all migrant husbands send money to their left-behind families. This money is mainly used for household consumption (De Silva and Siriwardhane, 2014 (b)). Since migrant husbands regularly remit the financial requirements of their left-behind families, it is obvious that there is no strong requirement for the wives of those husbands to enter into local labour markets. As a result of this trend, female participation in the local labour force has not improved

It is interesting to note that female participation has not improved in Sri Lanka, despite achieving a higher level of education by them. On the other hand, low female labour force participation generates a disadvantaged situation in the economy as well as at the household level. Mainly it results in the loss of part of the developed labour force, which can be used for the production enhancement of the country. Working women contribute to household income, at the household level, which increases household welfare. Further, this income diversification also increases the economic security of the households.

This pattern has created a serious question about female education and their labour force participation. Even though more and more females are entering to higher education the expected contribution to Sri Lankan economy is not realized. On the other hand one may argue that if these husbands were employed in local labour markets then a sizable proportion of their wives also would have enter into the same. Because of the prevailing economic difficulties many couples in Sri Lanka, participate in the local labour markets.

Conclusions

International Labour migration of Sri Lankans has been increasing significantly during the past years. Even though the flow of migration was dominated by skilled workers migrating to Western countries in the early years, currently it is dominated by semi-skilled and unskilled workers migrating to Middle Eastern countries. Demand for female labour migrants has significantly increased during last four decades. Hence a significant share of the migrant stock is represented by female workers. As many other labour-sending countries, Sri Lankan government also has a positive view on labour migration. In this context, migration of both male and female workers to abroad has increased drastically in last two decades. Primarily due to many interventions by the Sri Lankan government, during the past few years, male migrants are dominating the migration flow. Most of the male and female migrants are married. A large majority of the female migrants are married and in the reproductive age. Of the female migrants more than 85 percent are working as housemaids. While the Middle East has become the common destination for the Sri Lankan migrants, only a marginal share is emigrating to Europe. During the last decades, Saudi Arabia, Qatar, Kuwait, UAE and Jordan were the top destinations. East Asian countries such as South Korea and Malaysia and other Asian countries like Maldives are attracting Sri Lankan labour migrants. A thorough market analysis is required in order to identify the potential market opportunities of the other regions. In order to penetrate potential markets, Sri Lanka first needs to strengthen their supply side by adding value to its labour by providing its labour with internationally accepted certified skills and qualifications both in terms of selected profession and language. Implementation of the National Vocational Qualification (NVQ) system, facilitates the people by providing internationally recognized certificates that about the skills held by them. This makes it easier for employers in foreign countries to identify the qualified skill workers and in turn supports the migrants to provide proof about the skills that they hold. It helps the labour migrants to upgrade their carrier development in host countries.

While the remittances generate a strong economic impact for the country, migration for labour creates various social impacts. Socio impact of female migration has become a center for discussion in the Sri Lankan context during the last decade. A large majority of Sri Lankan female labour migrants are with minimal educational qualifications and exposure. Hence, these migrants as well as their households face many consequences. Separation of family members affects the educational performances of the children left behind. On the other hand; whether the remittances are effectively utilized is not very clear. Sudden changes in the household income through remittances are often not channelled towards the household welfare. The problem of

unemployment in Sri Lanka has been eased by the labour migration. During the last two decades, female unemployment has dropped. International labour migration affects the labour market directly by reducing the number of labour force participants. On the other hand, remittances have an indirect effect on the labour market. Remittances are used to compensate for the family members who are involved in childcare while one of the parents works abroad. This limits the improvement of female labour force participation.

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