ECONOMIC REVIEW January 1996

LABOUR MIGRATION

Special Focus
on
Middle East

A People's Bank Publication modanam.org

MEASURES OF MIGRATION WHAT TYPES OF JOBS DO THEY DO ? AGE AT DEPARTURE 50.00 10.22 1864 1995 FOLSEWALDS: \$50. 80 00 -1112 ak int jaken normanden 62 00. MHALE 42-6 41.00 製作:2人 125 # TOWARD 40 77 CLEMENT A RELATED 05112 MITALS LEVEL. PROPERSONAL 1 6 45.00 C S ... 23 784 30 - 40 45 27 Mr 5 - 25 52 - 30 1:37.72 Campanier 報を描き HOW MUCH THEY SEND US INCREASING IMPORTANCE OF MIGRANTS' INCOME 40 to 1 (Rombardes from slowed & form Middle Look) gas a 30 of local ecoolists rings). 22,000 persons approximate) F8 22 FAM ABBOAD EA, PLEED & COCONUT 20,000 40 T VATE YEM TTANDER 12,000 a. 1221 1390 7::: 1979 HOW THEY SUFFER 1993 - 1995 FAMILY TIES K) 1990 (2,047 completes) 1224 Ju 192 megdelend 295 (8.202) com c alaba 433 Mark of Communication ... How Payvant of Stages ... It amounted Giemat al Cartact Teache Zion .. 511 60 Montes. Ummor ried WHERE DO THEY GO? : Simigrated to such country) THAT WILL MORE MIGRANTS 102.0 25.0 Citier Familie BE NEEDED IN THE FUTURE 1994 - 2000 AD C 000 250 200-XX 400 10. 2,900 200 0.0 10.00 ٩x 1935 Digitized by Noolaham Foundation Employment



Volume 21

Number 10

January 1996

CONTENTS

Published by the People's Bank, Research Department, Head Office, Sir Chittampalam A. Gardiner Mawatha Colombo 2.

FEATURES/COLUMNS

Trade and Investment Prospects in South Asia

33

SPECIAL REPORT

Labour Migration Special Focus on Middle East

	Impact of Labour Migration	2
th recorded sufficient to filled in the	Sri Lankan Labour Migration - Trends and Threats	3
	Unskilled Labour Migration to the Middle East	8
	Opinion	11
	Migrant Labour Exploitation	14
ne persods	Incidents of Migration	17
	Case Studies - Sri Lankan	21
er under ind	Labour Migration in the Gulf	24
7.3 per cent	Face to Face	26
	Trauma of Change	30

THE ECONOMIC REVIEW is intended to promote knowledge of and interest in the economy and economic development process by a many sided presentation of views & reportage, facts and debate. THE ECONOMIC REVIEW is a community service project of the People's Bank. Its contents however are the result of editorial considerations only and do not necessarily reflect Bank policies or the official viewpoint. Signed feature articles also are the personal views of the authors and do not represent the Institutions to which they are attached. Similar contributions as well as comments and viewpoints are welcome. The ECONOMIC REVIEW reserves the right to edit all articles submitted. THE ECONOMIC REVIEW is published monthly and is available both on

Next Issue:

Transportation

Cover: S. P. Gunasena & J. K. G. Punchihewa

Layout & Page Designing: M. P. Edmund Pathirana

Digitized by Noolaham Foundation. noolaham.org | aavanaham.org

Impact of Labour Migration with emphasis on its economic contribution

in 1981, when the Middle East boom attracted un international lubuar force, the Economic Review published a comprehensive report on the situation of 'labour migration to the middle econorn countries. Those countries with single revources economies encountered many problems associated with the thorage of labour at all levels. From then began the exodus of augrant workers to the oil-rick countries. Labour export to the Middle East was domanated by private labour supply agency. As these intermediaries adopted various exploitative and learnful means to muximise their profits, the insecurity of the migrant workers emerged as a sensitive human problem, with the increase of overseas migration. Therefore, researchers and policy-makers In tabour exporting countries were much more concerned with the human and rocial problems of adgration than with its real economic Impact. After more than a decade of anneganised international lahour movement, increased return migration of contract workers has created reabsurption problems in the local regular labour force.

However, in recent years, most Asimo countries including

Sri Lonka, have been promoting overseas magnation as a new sector of export earnings. Apart from the direct economic repercussions, labour export had many social, cultural and psychological implications as averseas labour migration often disrupts established human and family relationships. Many studies on impact assessment of labour exports have identified positive and negative emplications of the fast-growing overseus labour movement.

Kri Landas in the colonial era imported behout from India to develop experiplantations in the country, such as maruther and coconia. Since then, the plantation sector continued to play is dominant role in Kri Lanka's experiruenings, However, with the introduction.

of open economic policies in the late 1970s, labout export became mura important state the expires of agricultural commudities, as the inflow of foreign reminunates to the country continued to increase. The share of tea, rubber and coconut exports in total export earnings declined from 74.3 per cons in 1977 to 17.8 per cent in 1994. The share of foreign reminunces in total export earning correspondingly increased from 1.3 per cent to 22.3 per cent during the summe period. Apart from the increwed influw of foreign remittances, overreus migration had a partitive impact on easing domestic unemplayment pressures

The average economic growth recorded for the fast decade was insufficient to create amplityment opportunities in the major rectors of the accounty, including the agricultural sector where employment continued to decline. In 1990, 17.7 per cent of the wird employed propulation was in the agricultural sector, but that figure dropped to 38.5 per cent in 1993, and the sector's contribution to GDP declined correspondingly from 23.2 per cent to 20.9 per cent during the same period.

The manufacturing sector which was expected to grow much juster under the onen economy, also fulled to realise expectations. By contribution to GDP incovered marginally from 17.3 per cent in 1990 to 19.1 per cent in 1993, while the labour force employed declined from 14.1 to 15.2 in the same period. However, the services server accounted for 49.6 per cent of the GDP in 1990 and this increment to 50.6 per cent in 1993, while labour in the sector increused from 29.2 per vent to 38 per cere. However, with the ongoing prevatisation of public organisations and the reduction of employers in private secror organizations. the Johnur absorption capturity of the service sector is expected to doction. The problem of unamploymens in Nri Lanka therefore has to be solved by creating greater employment opportunities in the manufacturing sector and its main subsectors, like the processing of sea, subberand encount and the increase of small industries. Of the total labour force engaged in the factory industry, about 80 per cent work in the garments industry. The work force engaged in the processing of teo, righter and cocount is filely in decline further or the prospects of the plantation industry do not appear to be possibularly promising

Therefore, exporting tabour is helieved to be an important means of earling pressure. on the number sectors of the economy. The rosal number of overseas migration in 1994 way more than the number of workers employed in the factory industry including the Free Train Zones. However, its averall support has artended beyond divers economic benefits. Out of the total inversees interacts, about 70 per cent of contract workers are housemands (female domestic terrouts). The large excelles of mandy active female counterparts in the household owns of production has affected the entire socioeconomic and cidural milieu. Expensioners of not only female negrons workers but also children in their family unity have been affected. Mothers who have played a critical entr in caring and educating idulation left their finalities to tend the themselves, thereby creating post-migration adjustment difficulties.

Secondly, evernous ingration wire viscourreised by managainted and supply-driven labour movements. Push factors unsociated with evolutions and moleculius of illegal agonas and physical problems encountered once separated from defamily unit are some inquartant negative implications of overseus ingration. Tracily, the majority of some migrants as domestic servants have been identified bocally as having been intemplified bocally as having been intemplified bousewires. Throwever, as powered ind in many women's studies, they represent a most acrise but unpaid family lubour

LABOUR MIGRATION

Sri Lankan Labour Migration: Trends and Threats

by L. K. Ruhunage

he first instance of outflow of Sri Lankans for foreign employment is reportedly in the first half of the 20th commerciander the British rate, when the Sir Lankan Tamils emigrated to Malaysia in small numbers However, it was only after gaining independence in 1948 that this country had clear coperiences in the sphere of international labour migration. After the gaining of independence, many people of Burgher origin migrated to Australia and New Zenland. According to stuffishes aveilable with the Department of Immigration and Emigration, 423,503 Sri Lankans emigrated the country between 1967 and 1971. The purpose of their migration is not recorded. It has also been reported that during the period 1960. and 1968, 186 Eri Lankan doctors were given resident permits in Britain. In 1971 and 1972, 379 professionals left this country is search of greener pastures. Doctors, accountants and university lecturers being among them.2

The two decades following 1972 showed a definite act ancoment in the labour migration from this country. In the middle of 1973, the oil exporting OPEC countries decided to increase the price of all to US \$ 53 per barret. The resultant economic development in the middle eastern countries had a tremendous impact on the labour market, turning these countries into a virtool open market for migrant labour. They hacame a haven for not only Arab. and Asian workers, but also for workers from European countries. Therefore, the Philippines, Kores, Thailand, India, Pakistan, Bangladesh and Sri-Lainka entered into the middle eastern. employment market by supplying labour.

Labour Migration is a strong factor affecting the social and economic life of the nation

The following table gives the migrants between 1972 and 1994.

_bstratt/c-i	Tuble f	rtik but togram				
Sri Lauk	ao Labour N 1973 to 1994	ANALOGIC COCKRONNELL VILLE				
	Quantity					
AND DESCRIPTION OF	Official	Tweet				
Year						
1972 1973	2.365	THE RESERVE				
1976-1978	14.241	Carolina A				
1958	9,428	26,875				
1980	7,602	28,644				
1881	18,000	57,447				
1982	23,450					
1883	18,685	E Initiating				
1984	16,713	Dres pack.				
1985	13,571 -	3 1± 1000				
1986	16,546	30.797 (1)				
1967	16,127	No. of President				
1988 -	18,973	Show block				
1989	24,724	and Continued				
1390	42,024	56,574(2)				
1991	86,007	86,473(2)				
1992	55,678	124,441				
1993	48,749	191,076				
199:	80,187	130,027				

Only Territor profiles (LJ), are, Judy, August. September and Deputaber

The Ministry of Plan Implementation used the embarkation cards completed by passengers at the surport to obtain scatistical information on Sri Linkan migrants. These revealed that a total of 20,980 persons left for employment in 1979, which was twice the number who migrated for employment through official channels as shown by a provious study done by the Ministry, which had planted the members at 9,42%. As shown in Table 1, a subsequent study done by the Eurage Ereploy ment there are delate analysed over a period of six months also revealed a ruge gap between the numbers who migrated through official channels and the actual total of migrants. Although the total number which left for employment obread during the six months surveyed was recorded as 30,797 (those who winted Sri Lanka on vacation were not meladed), only 7,774 persons, or 25 per cent, emigrated through official channels.

An Airport Survey Unit year increduned in March 1990 by the Poreign Employment Bureau in order to obtain more organised data. One of the imporcant facts revealed here was that fotal migration is higher percentage wise when compared with migration through official channels. Accordingly, while the total number of migrants in 1992 was 124,494, those who migrated chrough registered agencies was 55,673 oranly 45 percent. In 1993, the number migrating through official channels declined to 48,743, although the total number of migrants increased to 129,076, thus reducing the number of migrants through official phinnels to 38 per cent. In 1994, while the Intal numberwas around 130,000, migrants through official channels reached about 60,000 (approx. 45 per cenc).

When analysing the characteristics of labour sugration, its outstanding feature is the high percentage of women migrance.

A B D U R M L G R A T I D N

Augent Survey from Harch in August
 August Survey from June to Heavyber

	1940	Tuble 2	1	11 11 11 11	
SUPE	Labour Migrat	ion - Participat	ion of Wor	nen (total)	
Your	(Tata)	Number	Sic	Number	6
1959 1980 1981	26,977 28,841 57,447	13,639 14,101 27,287	62.7 49.2 47.6	12,948 14,543 30,180	47.3 50.8 3.325
1936*	39,797	9,512	30.9	21,255	69,7
1982	124,494 120,376	85,099 35,196 95,989	28.2 27.5 16.4	A9.395 98.560 138.695	71.8 72.6 83.5

" forly Tir Lin, months of three daily June, Sep. and Ch. of

1. K. Linke of the Benferman and Migration statistics (10, 9) Set. 2. Set Lunka Burner of feering employment. Embarancies that decrees 1900 it. Set Janka Burner of Foreign Stop og 1900 - Ampact Burner.

Table 2 shows that of the total number who mag ated for employment in 1979, the percentage of women stood at 47.8 and in 1980, the participation of women exceeded that of men for the first time, increasing to 72 5 per cent in 1993 and 83.5 per cont in 1994.

The cause for this high rate of parlicipation had been the social corditions that emerged in the middle canters countries, slong with their 600nonliculevelopments in this situation, the Arabs sought to employ housemaids from foreign cauntries for their household work. This was, in a way, a display of social importance.

Although the dominal for labour in other cacegories declined after 1975, the demand for housemaids non-sined stable. When employing housemaids, proference had been given to Muslim wemen. Sri Lanka was in an advantageous position in this regard, since other Asian countries (Bungladesh. Pakislan and India: which had Muslims abundantly to most the demand. were reluction; to send their woman. Imdia has totally banned the supply of women for employment as housemands abroad, Bungladesh and Pakietan, which happen to be strong labour exparting countries in the Asian Region, did not send women to foreign countrica os housemaida duo to cultural and religious reasons. If was from countries such as Indonesia and the Philippines that Sri Lanka had compulation in this appear. In later years, when regulations were brought in, these countries too started to limit the migradion of women. Sr. Lanka thus eninyed a monopoly in the supply of housemaids for foreign markets. The emplayment agencies too preferred to send Muslim women, a special factor being that employers bors the investing expenses of Muslim women, as indicated by David Zoyan who is engaged in numagement and research work in this field, 'a prostim woman does not have to bear any expenses when migration expenses are accountful. (Asian Wigrants - August 1992).

Another special fralure after 1986. as the demand for female garment factory workers. The female migration was strongthened by this and by 1992. it exceeded 50,000.

When analysing the race foctor in labour inigration, participation of Muslims and Tamile is of special significance. The porticipation of Tamilaprior to 1976 and of Muslims ofter 1976 is a significant feature. According to the Cabinet Sub-Commilton Report of 1974, participation of the Tamil population in mignation was 40 per mud, while in 1971, the total was 20.4 per cent. Participation of Muslims increased after 1976 to 31 per cent land cable 35.

The Arabs' employment of housemaids from foreign countries is in a way, a display of social importance



The reasons for the above were the cendency among Tamila to dishice Sri temban politics after the predominantly Slahala policies of 1956. The cultural environment in the Gulf countries facilitated the migration of Muslims and specifically, of muslim women workers. The Airport Survey conducted by the Foreign Employment Bureau is an important source when considering the age structure of migrant labour.

13016.2		-			25.1
Mary Committee of the	CYTE!		1000	Same	40

	AV.	mede	Mak	and the second	Thic	6
	500	爱	Ne	克	Av.	5
Shifter asia	6,388	51.8	22,123	68.2	28,521	64.0
Tamil	1.117	9.2	997	2.8	2,844	1.3
Muslim	4,565	37.7	9.344	28.9	13,909	91.2
Other	53	0.3	50	0.2	02	0.2
Total	12,110	100	82,450	100	44.566	130

Source: August Survey, Foreign Employment Bureau.

According to the 1994 survey, the majority who went abroad for employment were in the S1 to 35 year group. Among the male workers, the highest percentage was in the 26 to 30 aggroup, while among the footsles it was the 31 to 35 year group. This was due to the fact that Arab countries, when recruiting women, had preferred those above the age of 35 years. (see table 4).

The marital status of these employed abroad is an important, factor in relation to the population increase. The birth rate could during one to factors such as the migration of married persons, telay in the age of marriage etc. Another influence on the declining birth rate has been that the workers who go for employment, almost on two year contracts, often tend to get their contracts extended many times and overstay their legitimates beyin these countries.

Table 5 shows that the number of married workers has increased from 68.5 per cent in the first survey to 71.2 per cent in the second survey and to 77.1 per cont in the third survey. The majority of migrants at the initial stages were from orban areas. In 1975, 75 per cent of originals were from the Colombo and Gampahadistricts, which in 1980 and 1981 declined to 70 per cent and 65 per centrespectively. Howover, there seems to be a distinctive change in the present migration puttern. During the first three months of 1993, only 23 per cent of the total of 39,379 persons who mignited for employment purposes were from the Colambo district, while only 7 per cent represented the Campaha district.

In the meantime, rund arms such as Kurunegala have come to the forefront. The surfistics of the 1994 Airport Survey show that the participation of the Colombo district has declined further to 17 percent, while Kurunegala. Regalle, Galle and Kandy have made an outstanding contribution (see table 6).

This pattern clearly shows that the migration process has now uncompossed the entire island.

White Saudi Arabia takes the first place Camund 35 per cent) among the recipient countries, of this migrant labour. Kuwait and UAE receive 25 per

Waldelin 3

	manufacture of the second				
Age Racio	distribut	lon of migrac	it worker	re	
Male	15:	Proofs	展	Trent	- 4
870	16.7	5,721	5.5	8,391	4.8
4.872	22.6	18,833	17.8	28,705	18.2
5,428	26.4	22,208	20.4	27,636	21.8
1,299	20.2	29,959	27.6	34.253	26.3
3,860	15.9	22,038	20.3	25,426	19.6
1,954	9.2	8,707	7.7	10.361	8.0
749	3.5	1.419	1.8	2,1618	1.7
97	0.4	85	0.1	182	0.1
21,929	100	109,699	100	180,027	100
	37aie 570 4.872 5.424 4.299 8,860 1,954 749 97	Maie %: 570 ±7 4.872 22.6 5.428 26.4 1.289 20.2 3.860 15.8 1.954 9.2 749 3.5 97 0.4	Male 5: Persolv 570 2.7 5,721 4,872 22.6 14,833 5,424 20.4 22,206 1,289 20.2 29,959 4,860 15.9 22,666 1,954 9.2 8,707 749 3.5 1,419 97 0.4 85	37aie 4: Percely 6: 5.721 5.3 4.872 52.5 14,833 17.4 5,428 26.4 22,205 20.4 1,289 20.2 29,919 27.6 3,860 15.8 22,068 20.3 1,954 9.2 8,707 7.7 748 3.5 1,419 1.8 97 0.4 85 0.1	670 2.7 5,721 5.3 6,291 4,872 22.6 18,833 17.4 28,705 5,428 26.4 22,208 20.4 27,838 1,299 20.2 29,650 27.6 34,253 3,860 15.9 22,668 20.3 28,426 1,954 9.2 8,707 7.7 10,361 749 3.5 1,419 1.8 2,4618 97 0.4 85 0.1 182

Monore Airport Survey 1994. Sri Lanks Persign Employment Bureau.

Table 5

		Mart	ial Stat	us of bi	grant Wo	rkara (S	H		
Marylid Status	Male	Burvey I Pemole		Mule	Runey II Pemale	Torrel		larvey III Feansle	
Married Un -	60.0	64.6	63.6	67.3	71.7	71.2			77.16
married Do-	18.9	19.1	19.2	82.7	25.0	28,6	31.7	21.68	32.82
specified	20.6	16.1	17.3		1				

Enrog 1 - thry America 1888 Strong G. July, Debbar 21.75 Survey (11 - thr) the 1881 Source America Society, S.: Lanka Foreign Engagement Survey.

Table

D	fetrict-wise Dis	tribution of h	figrant Work	ecs (%)	
Distract	Survey	Survey	Survey	Survey	Survey
	0.000	11	III	TV.	V
	1978	1980	1981	1983	7994
Colombo	57.6	08.0	19.5	23.3	17.6
Gumpaha	15.8	15.9	14.5	7.3	7.0
Katulara	3.8	3.7	4.4	5.4	5.9
Kondy	1.0	5.8	5.5	10.5	9.4
Matele	1.0	1.0	1.2	3.0	2.8
NRliya	0.4	0.3	0.6	1.0	1.8
Galle	4,0	4.2	4.8	6.4	6.9
Matara	1.0	0.0	1.3	3.4	2.6
Hambaninta	0.7	1.0	1.0	1.4	1.4
Jaffox	4.0	5.6	6.9	1.60.2	1.0
Mannar	0.1	0.0	0.2	0.2	0.3
Vavoniya	0.1	0.1	0.1	0.0	0.0
Mulanyo	0.0	0.0	0.0	4.3	
Halticadoa	0.4	0.6	0.6	0.0	3.9
Kilipachehi	0.0	(1.1)	0.0	3.4	-
Amparai	0.2	0.3	0.3	1.3	4.3
Trincornalee	0.8	0.6	0.6	11.0	2.7
Kurunogala	1.8	1.f	2.0	4.3	10,4
Puttelain	1.0	1.5	1.3	2.6	4.7
Appre	0.2	0.2	0.4	1.2	4.0
Pharowa.	0.0	0.0	0.1	1.6	1.7
Bahilla	0.6	0.7	0.6	0.1	2.9
Moneragala	0.0	0.0	0.1	1.7	0,0
Ratnapins	0.3	0.3	0.9	4.1	1.6
Kegallo	1.0	1.3	1.8	12.75	5.9
Dispecified	2.0	1.4	1.0	200	
Total	100.0	100.0	190.0	100.0	100.0

Pource: Six-syf CD, III - Minustry of Plan Implementation, Labour Migration data in the 1980 1980 Survey IV - Furniga Employment Immon. Alegari Society Just March 1990.

Europ V - Bussian Kendermant Harons Alegari Survey (Dec. 1994).

LABOUR MIGRATION

cent and 14 per cent respectively. (table 7).

The main factor that comes to light when analysing the manpower base of these workers is their unskilled nature. Out of the total number of migrant workers in 1992, 76 per cent departed for demostic and labour grade couplayment. This number increased to 81 per cent in 1993 and 87 per cent in 1994.

Although, with the opening of the middle castern market, these countries had initially required skilledgrade labour, the demand seems to have turned to unskilled labour subsequently.

Migration could be shown as a strong factor affecting the accial and economic life of the nation. Since the wealth earned by foreign employment has in recent years taken the forefront position as a net foreign exchange earning mostium, and due to its contribution towards reducing unemployment and income disparities, the service rendered by migrant workers is clearly evident. The substructual increase to private remitheness from foreign employment income in 1976 points to the opening up of the middle eastern employment market.

This is evident in the increase in private remittances to Sri Lanks, from Rs 60 m in 1975 to Rs 108 m in 1976, (see table 9)

It is significant that private remittances which had an upward troud since the 1980s surpassed foreign exchange earnings from ten exports, which was hitherto the main meomeenroer. Although it is seen at first glance that private remittances are second only to export earnings from garments, a recent study on gurments revealed that when the oast of import of raw materials is deducted from the export income from garments (Re-53,209 m), its net value would be only 30 per cent (16s 15,963 m). As such, it could be orgoed that the main foreign exchange carner during this year is foreign employment. Therefore, foreign employment has become a main source: of income in the balance of payments.

Fable 7

Distribution of Emigrant Labour	
Hri Lanks Airport Survey - 1992, 1995 and	1994

	Hri Lanka Airp	iort Surve	y - 1992, 198	85 and 198	04				
	No.uf Pursana								
	290	98	2.5	90		1994			
	Na.	26	No.	%	A54	96			
Saudi Arabia	41,043	23	51.413	90.9	4,6(0)	34.61			
Kewalt	32,335	26	80,362	23.5	33,273	25.59			
DAE	22,409	14	19,901	15.4	17,082	13.83			
Labation	3,145	3	4,380	3.4	7.953	8.12			
Omen	3,715	7	5,520	4.3	4,528	3.49			
Bahrain	6,226	5	5,884	4,4	5.624	1.32			
Joster	3.511	4	8,329	2.6	1,390	TYK			
Quauer	1.656	1	8,114	2.4	4.121	2.17			
Malriiyon	2.480	2	2,209	1.8	2.391	1.44			
Singapore	1.770	1	2,065	1.6	1,975	2.52			
Cypros			608	0.5	-	-			
Grapac			132	0.1	and the	200			
Oldier	1,118	1	250	0.2	2,350	1.51			
Total	124,494	100	129,076	100	130,027	100			

Source: Airport Survey, Foreign Employment Bureau.

Manpower	base-wise	Distribution

Мопровет:	19	82	1	003	75	294
Group	NV.	4	Afa.	4.	Nu.	%
Senior Manager	1.215	01	888	0.3	366	10.3
Medium Mangower	6.225	05	6,476	5	2,198	1.7
Skilled	32,409	18	17,987	14	14.917	11.5
Unskilled (other than Acusemaids)	9,3080	08	15,876	12	9,895	7.6
Housemends	84,685	66	88,417	69	102,661	78.6
Total	121.494	100	129,076	100	130,027	100

Source: Airport Survey, Foreign Employment Bureau

Table 9

Private Remittances and Foreign Exchange Earnings in selected areas

		1	1956-86) 1	s. An.			2.11
Your	Private Renmir- tances	Teu	Rabber	C'not products		Thiol Rays, carnings	An it Me
1976	108	2,100	890	888	79	4,915	9.9
1977	190	3,503	931	496	120	0,638	2.9
1978	810	6,403	2,0	1.2	481	13,205	4.8
1979	986	5,722	2.491	1,699	1,109	15,273	6.1
1980	3,515	8.170	2,580	1,234	1,814	17.598	14.8
1991	4,480	6,440	2,899	1,439	8,000	21,043	21.1
1982	8,024	6,342	2,323	1,498	3,502	21.454	28.1
1998	6.916	8,205	2,852	1,921	4,788	26,096	27.6
1984	7,660	15,764	3,304	2,118	7,568	37,347	20.5
1985	7,920	12,003	2,586	3,008	7.960	36.207	21,9
1986	8,872	2,953	2.622	2,389	9,629	04,072	26.0
1987	10,324	10,851	2,929	2,140	12,897	41,133	25,1
1998	11,386	12,299	3,706	1,6.49	14,260	46,928	24.3
1989	12,630	13,861	3,112	2,865	17,681	56.175	22.8
1990	16,054	19,823	3,090	2,783	25,160	71,623	21.0
1991	18.311	17,887	2,641	2,619	38,261	48,225	22.8
1092	24,037	14,893	2,960	2,091	53,209	107,665	22.3
1993	30,592	19,911	3,086	2,796	68.150	198,175	22,7
1094	85,846	20,964	3,582	3,761	76,614	158,564	22.3
	102 (00 CC)		47.00	2015 V. T. U. V.		100 T C 100 T	

Source: Central Bank Report 1976 - 84.

When the approximately 125,000 pergons who migrated for employment obroad is compared with the approximately 160,000 persons who join the labour force annually, the important role played by foreign employment in reducing unemployment is significant.

The Central Bank of Sri Lanka in its 1992 Report has stated that foreign employment is a factor which continues to contribute towards reducing unemployment problems in this country. Harlwremphasised that the appual supply to the foreign labour market. has increased to 125,000 persons. How-, ever, 70 per cent of migrant workers comprise housemaids, which is a category not accounted for in the labour force. Therefore, the argument that the impact of these numbers on the lobour fifree and unemployment should be lower, must be taken into consideration.

Several surveys on the subject show thus around 7 per cent to 25 per cent of women who migrated for unskilled jobs had in fact been engaged in some form. of income-earning activity." As such, it is clear that this form of migration cannot be totally dismissed as not affecting the local labour force. On the other hand, according to the estimates of the Sri Lanka Foreign Employment Bureau, the number of Sri Lankaus engaged to employment in the middle eastern region has reached 500,000. which is about 6 per cent of the labour force in this country. When compared with the unemplayment reports of the Department of Census and Statistics however, it amounts to 39 per cent.



Table 16

		e in foreign countries - 1994 navaet workers
Country 1	vo. Estimated	Caracana Action to the
Saudi Arabia	200,000	40.0
Kowait	80,000	19.0
TAE	75,000	15.0
Lebanon	25,000	- 5.0
Oman	25,000	5.0
Bahrain	25,000	5.0
dordan	15,000	3.0
Quatny	19,000	2.0
Other Middle East countries	10,000	2.0
For Engineer Asian counciles	15,000	3.0
African countries	10,000	2.0
Asian countries	10,000	2.0
Total	500,000	109

Somer Br. Lanka Bureau of Foreign Employment, Similation Hundtrick on Jorege Employment 1994 (See Locks, Corige.) Employment Bureau, Statistical Repart on Fareign Employment 1954

This covers a large number of proxima who muld become unemployed.

Another savial benefit of foreign emplayment has been its impact an reducing the income disparity. Several surveys reveal that, those employed in middle eastern countries were mainly from low income families. They were able to purchase houses and property. domestic appliances etc. through these new avenues of income. Surveys have also revealed that the average size of these families was about 5 members. Therefore it can be concluded that around 2,500,000 of people are currently dependent on foreign employment, ic - around 15 per cent of the total population. This further emphasizes the importance of this sector.

Future of the Industry

The preceding facts indicate that foreign employment has evolved into a "labour exporting industry". With the enactment of the Foreign Engloyment Bureau Art No. 21 of 1985, the labour exporting industry acquired a more legalistic management and became a stable comomic activity through the contribution of nearly 160 employment. agencies.

In recent times, emphasis was placed on the diversification of the market. This involved entering into labour markets in countries such as Jupan, Malaysia, Korca, Singapore instead of depending only on traditional buyers of labour.

Table 11

			(Labour Bliga		
Country	1999	1990	100/2	2992	1993
Bangladeeh	101,724	108,814	147,131	188,124	244,500
Burma	8,142	6,725	13.912	19,912	100000000
Indonesia	64,074	86,264	149,782	149.762	1100
Koren	68,647	55,774	45,713	84,682	
Malaysia	55,025	68,012		1000	
Philippines	458,626	448,076	616,019	686,461	689,200
Thailand	125,814	53,924	83,849	81,759	138,000
Pakietan	98685	115,520	147,344	191,500	154,500
India	126,788	143,600	117,500		

Saures 1. Acom Physiotic (1884) Vol. III No. 4 Oct. Bus. Scalabeita. Migration. Centre. (Imbapianes - pages 131 - 158 2. Acom Ferrog (1896) Sconocio Impact of Gulf Capie in Polasten 1841 - Hanglink - page 58

Adam and Profile Migration Journal (1992 Vol. 1, No. 2 September - Migration Comm. Philippines p. 258.

Remittances from foreign employment were the main foreign exchange earner last year, when considering the fact that the net value of the garment industry, the highest exchange earner, was only 30 percent of its export earnings

Cont'd to page 29

Unskilled Labour Migration to the Middle East

can they really escape the poverty trap?

The price increases of crude oil after the formation of OPEC in the early 1970s and the concomitant flow of "petro dellars" to the oit-rich Arab countries in the Middle East, enabled these countries to emback on massive development projects unmatched in the history of this region. These countries however could not manage to exocure these projects with focal manpower alone. Thus, demand for manpower at all levels, i.e. high, middle and hower, was created. At the beginning of this development phase, this demand was met by neighbouring Arab countries such as Yemen, Sudan, Egypt, Later, the labour market was opened to other countries as well. The Philippines, India, Korea, Thailand, Pakistan and Hangladesh responded very early to this demand.

The exodus of unskilled lower-level Sri-Lankau labour origination to the Middle liast assumed significant proportions only after the introduction of the "freeflow" origination policy by the Sri-Lankau Government in the late 1970s. According to recent estimates, nearly 500,000 unskilled Sri-Lankau Migninds are working in the Middle East. Hence, the size and impact of International integration have been massive and visible in Sri-Lanka today.

This phenomena initially triggered by the backward and almost stagnant economic base, was subsequently increased in response to external circuit. The growing affluence and improvements in tiving standards of the local population in the Middle East, nixed a special demand for housemads and numnies. Coupled with these factors was the mushrooming of private By Dr Chandra Attanayake



institutions and the effectively organised public sector at home and abroad which facilitated these migrants.

Migration "Laws"

Positive effects of augration have been researched and recorded in many parts of the world. An early theorist on migration, E. G. Ravenstein, has elucidated this aspect in the following manner:

'Migration means life and progress: A sedentary population stagnation,' Purhermore, in his selebrated paper on the "laws" of migration, presented before the Royal Statistical Society on March 17, 1885, he notlined seven hypotheses on migration which he called "laws". The inst of these "laws" posticiones the idominance of the economic motive.

"Bad or apprentive laws, heavy accition, an impatinative elimate, aucongenial social parametrings and even compulsion (slove trude, trusportation) all have produced and are still producing, currents of migration, but none of slown currents can compute in volume with that which arriver from the desire inherent in mort nam to 'bester' themselves in material aspects" (p. 286)

The 'desire inherent in mast pumple to botter themselves in material aspects' scents to be the driving force behind the movement of, especially, unskilled lubour to the Middle East. This category of labour is drawn from the lowest economic strata in Sri Lanka. Studies reveal that the monthly meonic of this category of labour at home was less than Rs. 1,000/— per month. Migration therefore is viewed by them as an escape mechanism from the poverty trup and as the only hope to hence themselves in material wealth.

Determinants of Migration

The fact remains however, that everyone in the lowest strata of society does not ungrate or for that matter, develop a propensity to migrate. This aspect may be evaluated against the ecological model on migration developed by Everett Lee (1966). The factors which enter into the docision to migrate and the process of migration are summarised under four headings by Lee.

- Factors associated with the area of origin.
- Pactors associated with the area of destination
- 3. Intervening obstacles
- 4. Personal factors

LABOUR NIGRATION

LABOUR MIGRATION

The first three are indicated schonatically in the figure below. In every area there are countless factors which act to hold people within the area or attract people to it, and there are others which tend to repel them. These are shown in the diagram as + and - signs. These are the O's, to which people are essentially indifferent.

migration. Some of these personal factors are more or less constant throughout the bie of the individual, while others are associated with stages in the life cycle.

This conceptualisation of insigration involving a set of factors at origin and destination, a set of intervening

the high wages paid in the Middle East countries incomparison with wages paid locally for comparable jobs

Socki-cultural attitudes which stand in the way of acceptance of similar types of employment at home

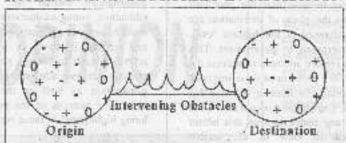
the impact of urbanisation, education and modernisation and the concomitant changes in social and cultural values

- the influence of friends and relations who have made good in these countries
- ensy access to channels of exit
- fringe benefits such as free
 food, lodging, clothing and
 sometimes, free passage.
 These jobs enable the inigrant
 to save a sizable sum of
 money even during a short
 period of work almost
- the ability and freedom to send their cartings back bonne as remittances
- Tack of opportunities in the home country to enter employment channels in order to escape from the poverty trup.



Whatever the causative factor or factors that were eventually responsible for labour migration to the Middle fact, the deminance of the economic motive needs no emphasis here. The Sri Lanka

ORIGIN & DESTINATION FACTORS AND INTERVENING OBSTACLES IN MIGRATION



The set of + sex and ses at both origin and destination is differently defined for every migrant. Migration may result from a comparison of factors at origin and destination. A simple calculus of +s and -s does not decide the act of nugration. The balance in favour of the move must be enough to overcome the inertia found in gvery place of origin.

Obstacles to Migration

Between every point of origin and destination, there stands a set of intervening obstacles which may be alight for some prospective migrants and insurmountable for others. The most researched of these obstacles is distance. Then there are the physical barriers, the immigration laws and the expenses one has to incur in the process of migration which every migrant has to overcome. The effect of a given set of obstacles is distance. The effect of a given set of obstacles depends also upon the impediments with which the migrant is encumbered, for some migrants, surmounting the intervening obstacles could be minimal, but for some others to make the sime move, the impediments greatly increase the difficulties posed by intervening obstacles.

Finally, there are many personal factors which affect individuals at different thresholds and facilities or retard

inhitiacles and a series of personal factors provide a framework for much of what we know about inigration inday.

The unskilled labour migrauts from Srilanka would have evaluated the + and - signs of the area of origin and destination before migrating to the Middle East. They would also have overcome the intervening obstacles and found solutions to personal problems before migrating. However, a reassessment of the whole process sometimes leads to communication those. Sometimes, all factors operating in the area of origin and destination could change adversely after migration and the entire effort to better themselves would turn out to be futile.

A small number of these unskilled migrants, especially the males, are employed in the construction sector. A significant component of this labour category - nearly four out of every five persons - comprise females who secure employment as housemaids and namiles

Causative Factors of Unskilled Labour Migration

According to available information, the following causauve factors have contributed towards the migration of miskilled labour to the Middle Fast:

LABQUE MICEATION

government is able to reap many heactits by adhering to the 'free-flow' migration policy. Apart from alleviating to some degree the problem of unemployment and under-employment in the country unskilled labour interants have contributed to the coffers of this country much more than many of times on wheat Sri Tanka has speak a formule for developing their skills. burthermore, the income disparities within Sri Lanka have been made narrower by the incomes generated via foreign comployment by the lowest income strata in Sri Lanka. At the initial stages, these migrants originated from the orban centres but unday, they are disturbing from the city as well as from the village and framfull districts of Sri Lanka, Hence, the spatial impact of this phenonenou is island-wide. The development of cordial international

reveals the strength of the push factors and the dominance of the economic matrix, behind behave negration, especially among the maskilled dategory.

Family Life Problems

The problems of Linear migration however, are not limited to the place of
destination. The migrant is fazed with
many problems at the place of origin,
especially at the family lever. It is
ficurroning to note that the problems
related to the place of destination are
being addressed at the highest level,
from government to government. This
article interfore altempts to address the
"family-life" problem of these migrants
and generate new finishing to solve this
problem. The author does not attempt to
propose any restrictions on this labour
movement in view of the serious

heights to build up in the homes of many migrands. This transion attests but the "mover" and they "stayers" and in continues to say with the family during the period of absence of the migrant, and sometimes beyond his eventual return as a "changed person".

The local press and the electronic media often report and highlight various problems the migrant families face. Negligence of the very young them behaviour patterns, going astroy and getting involved in underworld activities such as using, peddling or pushing drugs, adolescent sex and prostitution as well as the unsocial behaviour patterns of the parents are being highlighted in these reports.

Sometimes open discussions about family life problems, for example how it affects the well-being of the family, the problems that have to be encountered in the absence of far migrant, how best the family can face these challenges of a, lead to a smooth functioning of the whole process of migration. Such families are able to reap the hest of the benefits from working abroad. Reports of this bright and positive side of migration are not lacking either.

However, regarding most migrant families, the reality is not so illuminatory. The long absence of either the mother or the father disturbs family life. The affected individuals seem not or have discussed their "family life" problems semining from the departure of one individual in the family of the emire family is to benefit from such a maye, it is importive that the family incinbers! storeotype roles within the family call for a change. Besides, those toft behind may have to take up now and added responsibilities. migratory moves are limited to a short period in their 'life-cycles'. This manmade 'family life' problem needs to be proporty addressed if these families are to obtain the desired benefits from migration. One alternative therefore is to provide counselling services to those families that are unable to solve the "family-life" problem by themselves.

Studies reveal that unskilled labour to the Middle East earns an average of only Rs 1,000 per month at home

relations with the Middle Fast countries is yet another positive factor in labour migration. Obviously therefore, the Sci Lankan government has taken a positive approach to facilitate the inversement of unskilled labour from Sci Lanka to the Middle Fast. The government has even moved in to atipulate at least a minimum wage for these migrants. At the place of destination, Sci Lankan embassies provide some services to these migrants.

Despite reports in the local press of humiliations undergone by some of the unslotted labour migrants in these . countries, the process persists. They also continue to complain of receiving low wages than was stipulited in the contracts, of excessive work, lack of free time, assault by employers. improper conduct of landlords, low level living prrangements and sometimes, even a lack of food Although such complaints are being heads constantly, these employees have no intention of giving up their jobs. Thus, with no curbs planned on them by the government, this auskilled labour will continue to seek employment abritud, even at the risk of facing hard-hips and deprivation. This clearly



employment problem prevailing in the country at present.

Unskilled labour migration to the Middle Case is a voluntury movement. This movement is precisted by a period where the migrant weighs the 15 against the 15 in order to develop a propensity to migrars. During this period, the prospective migrant has to overcome intervening obstacles and also to attempt to solve problems related to personal factors, before making the final move.

During this pre-migration phase, tension

LABOUR MIGRATION

Women should not be employed in domestic service abroad. They should be trained for professional jobs only, says Victor Ivan

OPINION

Why is it that Asiana, especially women, face sexual harassment in the Gulf?

There are many reasons for this, but in my opinion, the rot set in from virtually the very beginning, when less remarable women from our society were sent to the Middle East as a sort of vanguard. When the employment market in the Gulf States was first opened up in the late 1970s and domestic labour was offered on the international market for the first time, conservative Sri Lankan women who are, culturally very domesticated, were afraid to venture into the unknown. This was despite the economic bardships faced at home and the attractive salaries offered in the Gulf. Therefore, by the very nature of their profession, it was the less reputable women, vizladies of easy virtue, as well as men from the lower strata of society, viv., pickpockets and drifters who lacked formal employment, who were beguiled by the many private agencies to seek their fortunes overseas. Agencies at the time and even now-were only interested in the commissions carned for bulk recruitment of workers rather than in the quality of workers recruited. Lack of attention to quality seems to be a common problem in Sri Lanka.

Does that mean you are totally against Sri Lunkan women seeking employment overseas?

No. I am against Sri Lankan women being employed as domestics abroad, but I believe they should definitely seek employment overseas because of economic considerations stemming from the economy's inability to generate adequate job

opportunities. It is untain to confine them to Sri Lankan shores if we are unable to provide them with satisfactory economic benefits within the local environment. Given today's open market commony, it is difficult for a family to survive on one person's salary. But they should seek employment in trained professions, by which I mean professions like suresing, salesmanship, the garment industry etc.

The Middle East is a complex region, with its own norms and way of life. Successive governments have failed to understand this, and to provide adequate measures to counteract the pressures faced by our women when they enter such an alien environment. To date, the government has failed to realise the grave need for a logal framework, as was set up by India and the Philippines to protect their workers. Workers from those countries are permitted to enteremployment only after they have obtained elearance. of their employer through government controlled mechanisms. When women work as a group, there is safety in numbers, they have a say in many aspects of their lives, which is contrary to a woman working on her own in domestic labour, where she is at the mercy of her employer.

The government does not understand how it could maximise opportunities abroad. It is not necessary for our women to go to the Middle East for domestic employment: there are ample opportunities closer home, in countries like the Fiji islands, for instance, in the garment sector, which pays them adequate wages. I even suggested to Labour Minister Hon. Mahinda Rajapakse to introduce an incentive scheme to private agencies, where the government would pay the agency on a percentage-wise or other basis depending on the estegory of the job supplied: this would give the necessary imperus to supply jobs of a high calibre not only in the Middle East, but around the world, and encourage accountability for the jobs found. This could even attract reputed agencies from abroad. When the government has an investment of this type in an agency, it has a say in the nature and conditions of the job offered.

The government cannot incur losses from a scheme

TABOUR MIGRATION

of this name when viewed in terms of the remittances received. In a classic example, it costs the government about Rs 10 lakhs to educate a white collar worker in a scientific profession. It would be more lucrative to train workers in this category for professions like nursing, the garment industry etc. because it costs only Rs one lakh per person to train and send overseas.

By gearing overseas employment opportunities only towards trained employment in the above categories, wouldn't those who are equipped only for domestic tabour be at a disadvantage?

No, those who are capable of being trained in domestic employment can easily be trained in sales or in the garment industry. In countries like Greece, Italy. France there are ample job opportunities in professions like sales. In a highly literate country we should gear ourselves to establishing nurses training colleges to train nurses for domestic as well as international labour markets in countries where nurses are in high demand. Usually, developed countries gather data on labour trends and demands and based on these, advertise the jobs available on the local market. For instance, the Olympics are scheduled to be held in Australia in the year 2000. In order to organise this enormous undertaking a labour force of several thousands has to be imported. For the basic construction work alone, much skilled and semiskilled labour is required which has to be planned for well in advance. This is where Sri Lanka can step in. It would be the ideal opportunity for our unemployed engineering graduates to work over there, perhaps with the assistance of the government. However, the government has not as yet envisaged the potential in this undertaking. In order to provide these students with job opportunities in Sri Lanka, the government has to provide an initial outlay of about Rs 10 lakhs. It would cost the government only Rs 1 lakh per person to send for a job opportunity in Australia. In the case of Muslims who seek employment in the Middle East, the recruiting Muslim agents bear the cost of recruitment and their air fare. However, in the case of poor Sinhala villagers the agency does not bear the cost, so it is the middle man who is the financier and it is into his clutches that the villager falls when he borrows at the heavy interest rate of monthy20%. This ultimately leaves him not much better off than before. It is in such instances that these migrants resort to fair or foul means,

It is therefore the fault of the government and society that these women are compelled to go into prostitution. At present, between 10,000 to 15,000 migrants in the Middle Bast will not come back to Sri-Lanka because they cannot face their families and country due to the manner in which they earn their money to repay their beavy debts incurred at home. Today the economy is sustained by foreign remittance. Foreign remittances in 1993 were Rs 30,590 m. In that year, tea export earnings amounted to Rs 19,911 m, earnings from tourism were only Rs 10,000 m. Earnings from ROI projects were the highest at Rs 76,740 m but when taking into account raw material and other associated costs, the actual profit comes down to Rs 23,000 in : 70 per cent of the earnings are absorbed by the cost of manufacture and manufacturer's profit margins. Despite the massive benefits to the economy, it is unfortunate that governments have paid no attention to the plight of the migrant while abroad. Rather than train migrants for domestic labour, it is training them in the garment industry that would promote their selfesteem in addition to creating fewer problems for them. They should also be educated in the manner in which to spend their hard carned money. In many instances, Middle Fast migrants have spent all their savings on the purchase of duty free items at the airport.

What would be your suggestions for mitigaling the problems faced by labour migrants abroad?

There are several steps which could be taken to ensure that migrants get a fair deal both here and abroad. The state has a key role to play here.

- (a) I suggest that savings schemes should be devised.

 Migrants should be educated on how to spend their savings. They should also be given incentives to invest in the share market. Take for example the Thatcher government which, when privatising British Telecom, instigated the compone man to purchase shares in the company rather than offering the institution to private entrepreneurs. As a result, two million shareholders bought in, following aggressive advertisement and promotion by the government.
- (b) The government should categorise jobs and scipulate the minimum rates payable for each category in the host countries.
- (c) The government should also spend out of its own pocket to send migrants abroad. Expenditure by the government will be more than adequately compensated by remittances by the migrants.
- (d) The government should join hands with banking, and other lending institutions to provide loan facilities at low interest rates.

LABBUR MIGRATION

The government could also provide special assistance to returnees to purchase land at reasonable rates. For instance, in the early 1980s, the prices of land escalated with the return of the first back of migrants to seatch of land to build homes and sente down.

- e) Agencies should safeguard the safety of those recruited and obtain job opportunities for the Sri Lankan migrants. They should not charge a commission from the migrants, but rather, the government should pay the agencies this commission.
- f) It is an embarrassment to the government when their people are employed in domestic labour and engage in nefarious activities. Therefore, prospective migrants should be trained to seek more respectable and reminerative employment. They should be trained for specific jobs in the international as well as domestic markets.

Our entire education system has not been geared towards encouraging the youth to prepare for a profession, unlike in other countries where students are raught the importance of focussing on a particular vocation from the primary level.

During the term of the previous government, a grant of US \$ 2 bn to meet the cost of job training was not utilised. Grants of this nature should be utilised to set up training centres in various job categories, like, for eg., in computers, garments, navigation, languages, according to the qualifications and aptitudes of each migrant. English especially should be taught since it is a link language. Therefore an environment for training could be created to attract private companies which would have no hesitation in embarking on schemes supported by the government and would also strive to locate the market potential for specific jobs.

'g) At present, there is no monitoring system to assess the migrant's welfare abroad as well as the plight of the families left behind in Sri Lanka. In this situation, the traditional diplomat has a very limited role. It is mainly a welfare officer who can monitor, investigate and coordinate at grass mots level the movements of migrants in the host country. I understand that the Foreign Employment Bureau has initiated a plan which stipulates that a welfare officer is appointed for every country which has more than 25,000 Sri Laukans on its work force. It is also vital that embassy staff are constantly rotated and corrupt officials be summarily dealt with. If not, long standing embassy employees become susceptible to outside corrupt influences and tend to encourage mismanagement within the system.

h) It would probably be workedule to have a separate ministry to moment labour migration, since since the Poreign Ministry is unable to solve the many and varied problems of the migratis by virtue of their very magnitude. For this purpose, a separate fund should be set up to repatriate strended workers abroad. At present, the Sri Lankan government is repatriating stranded workers in the Middle East in hatches of 150. But this too is inadequate to meet the present demand.

i) There are many detrimental factors in labour migration. Especially in the case of married women. Very often, their families are neglected. There should be institutions to deal with the problems faced by the migrants and their families. As a social service, officers should be appointed to monitor the needs and progress of the families left behind, e.g. welfare of the children, their performance in school etc.

j) Migrants should also be advised on the criteria required to be met when pursuing a particular trade or profession abroad, so as to minimise the bassles they face abroad. For eg. drivers seeking employment abroad should be advised that a international driving license is required to do so. There have been instances where drivers have obtained positions abroad without the required international drivers licenses. They are then compelled to spend several months in the employers home while waiting for their application to be processed, during which time they are forced by their employers to carry our menial tasks in order to pay for their food and lostging.

 k) In addition to the insurance cover for permanent disability of migrants presently offered, it is vital that a cover for mental disability be added.

The government should assume overall responsibility for its citizens, whether here or abroad. It can carefully plan our a strategy to mitigate the problems faced by the migrants abroad and work out the approach step by step.



Migrant Labour Exploitation: does anyone have the housemaids' welfare at heart?

several institutions have been set up to monitor migrant welfare, the question of the day is, are they doing enough?

were employed in Sausti Arabia, 4.3

The post-oil boom affluence in the Middle Fast which created a demand for lahour and manpawer, porticularly in the unskilled and semiskilled categories, provided a relatively easy way out for Sri Lanka's employment problems. It was in pursuing this policy that the government provided several incentives to those seeking employment abroaid, for example, the Liberatising of laws governing the issue of passports.

The government policy of the post 1977 cra was one of permitting the private sector to spearhead the sourcing of employment overseas, but ulthough the supply of employment opportunities was handled by the private sector, in order to carroise a degree of control over private employment agencies, the overall policy for migrant labour was laid down by the state.

Despite the fact that foreign remittances are how the major foreign exchange



earner however, the picture is not altogether may for the reminers themselves, has obvious that the export of human cargo cannot be equated to the export of goods and cleaners. By virtue of its susceptibility to the outside environment and the appreciatebility of human behaviour, the export of labour must be subjected to many conditions, conceived to ensure the well-being of the individual.

As is the case in Sri Lanka, labour laws in host countries, especially in the Middle bast, do not protect demestic labour. There is an aspect of domestic labour likin to mislieval slavery, where employers, especially in the Gulf countries assume that they own the housemaids, hody and sout, merely because they hold the purce strings.

The many instances of exploitation, violence and abuse of Asian workers abroad, especially in the Middle Bast, lend weight to this observation and warrant a tightening up of the rules and regulations that govern their overseas employment, coupled with a closer security of the institutions act up to momitor migrant welfare.

House maids are by far the largest category of tabour migrants from Sri Lanka. Ampoint surveys conducted in 1994 indicate that of the total of 103,027 migrants who left our shores for new employment, 78.9 per cent (102,661) were liouse maids, 13,240 house maids.

were employed in Saudi Arabia, 4,382 in the U.A.E., 13,963 in Kuwait and 1,168 in Oman, flahrain #50, which adds up to a total of 33,603, which is nearly double the figure in 1990, which totalled 19,571, seven-fold from 1986 statistics 4,898.

Evidence mains to the fact that state involvement and mediation on behalf of their nationals employed abroad, serves to a great extent in mitigating explosive singularity and at times, in entirely redirecting the course of events.

Take the case of 16 year-old bilipido Sarah Balabagan, who falsibed her birth date to 28 years in order to obtain employment in Ahu Dhabi. She was subsequently sentenced to death by firing squad for stabbing her employer to death. after being raped by him. Following widesprend appeals for olemency by the Philippine government and several human rights and women's organisations, her death sentence was revoked to a compensation payment of an undisclosed sum of 'blood money'- an socient Hedouni method of solving disputes among claus and 20 lashes per day for a specified period.

On the other hand, the tragic hanging of Pilipino Flor Contemplacion in Singapore, for an alleged double murder, may have been averted if the Ramos government had taken more steps to defend her, since there was evidence that she may have been framed by her employer.

Sri Lanka has more than her fair share of

tragic deaths in the Middle Fast, several of them could be due to misunderstanding or the lack of understanding of the middle eastern culture.

There is the sad case of 19-year-old Solithy Fathinia in the U.A.E., who was put to death by firing squad last April for allegedly stabbing her employer's child to death with a pair of scissors. Her alleged admission in prison, that she had promised to albeit falsely confess to the crime on the promise that she would then be released and sent back to Sri Lanka, was never investigated by Sri Lankan officials, who merely maintained that they had no means of mitigaring her aentence par intervening on her behalf until after her trial, since she had confessed to the crime in court. The textimony at the time by a Sri Lankan, what said he wirnessed the child's doubt as leaving been thue to an accidental fall. from a halcony, when the child's mother (Siththy's mistress) had accidently caused the child to fall, had not been investigated either. Even notifying her family of her imprisonment and her subsequent execution was done by local contact in the D.A.E and not carried out by either the Ministry or diplomatic mission afficials. Nor were mission officials or her family were allowed access to her, despite the fact that mission officials should have been permitted the right of access, by perhaps exerting their authority. Attoecther, the case has not been satisfactorily solved. and many loose threads remain to be scented to this day,

Again, in April 1995, winner's bodies were returned to Sri Lanka from Lebanon, with no satisfactory explanation.

Complaints from Migrants during 1995

Sauci Araza, Janton Lalourn	1,800 approx.
Kiryat	2.380 do-
Alus Bhebi	900 do
Oneni	100 do

15 to 20 deaths have been reported in middle eastern countries.

Compensarion differs according to the religion and sex of the victim: Muslims receive 100 per cent compensation and Christians, 50 per cent. During the period January to October 1995, SriLanka received Rs 7.8 compensation.

It is of note that must of the complaints are against employees who work in the armed forces, viz., - Army, Police.

Kuluyuan, a Landon-based organisation which claims to have assisted about 4,000. workers in the Middle fiast, stated that of 755 wimen interviewed, M8 per cent complained of verbal abuse, 38 per cent of being beaten, 55 per cent of not being paid the wayes regularly 42 per cent, of not being given a hed to sleep in and 10 per cent of heing raped.



Expanded Role of Sri Lankan Missinns Overseas

Sri Laukan oussions alread, particularly those in the Middle Fast, play an important role in promoting employment opportunities for their nationals, although this is not a customary function of a diplomatic mission.

The functions of Diplomatic Missions. according to the International Convention on Diplomacy are to:

- represent the sending state in (a) the receiving state
- protect in the receiving state, (45) the interests of the sending state. and of its nationals within the limits permitted by International Law
- acgotiate with the government (0) of the receiving state
- ascertain by all lawful means, conditions and developments in the receiving state and report thereon to the government of

- the sending state
- To promote friendly relations herween the sending state and the receiving state and to develop their contomic cultural and scientific relations.

Pollowing the rapid advancement of international relations and the recent fostering of interdependence, there bus been a considerable expansion in the area. and scope of activities of diplomatic cuissions.

In the post 1977 era when the government Isonohed economic programmes with a view to opening up the economy and promoting interaction with foreign countries, a deliberate noticy of Sri Lankan Missions abroad to serve the inverests of the economic programmes of the government was initiated. Diplomatic missions were then required to address a broader spectrum of subjects like promoting foreign employment apportunities among nationals.

The provision of employment to large numbers of the unemployed was a high priority in the economic recovery programme. Since the resources within the economy and those obtained front outside, were unable to absorb the uncouplayed, a policy of encouraging employment abroad was started. This became particularly important as the target groups were the unskilled or semiskilled for whom the prospect of obtaining employment locally were not height.

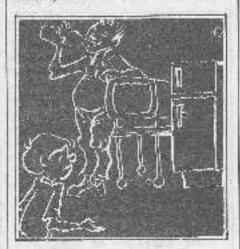
In this account, Sri Laukan diplomatic missions evolved into serving the interests of the large numbers of people migrating for coupleyment to the Middle Bast. It was following this requirement that missions in the target areas of Saudi Arabia, Kuwait and the U.A.E. were opened. The opening of additional Sci-Lanka Missions in the Gulf area was accessitated by the sudden influx of a very large number of Sei Lankaux in these countries. This was done not just to promote corployment opportunities, but rather, to look after the interests of Sri-Lankan nationals. Of course, the older missions opened in Baghdad and Cairo in the Middle East, were set up in an earlier era due to different priorities.

Firstly, the missions were required to

0 В

alort the host country on the availability of labour in Sri Lanka. Host country officints expected to be notified include prospective enreprenouss, industrialists and recruiting agencies of the respective countries.

The types of people the Middle East comployment market auracted, gave rise to a variety of other services to be octformed by diplomatic missions, over and above their usual services rendered to their nationals abroad. The majority of those who went for comployment to the Middle First came from rural areas in Nri-Lanks. Unlike those in curlier eras who sought employment in developed adjustries in the West, due to the closed cultural and generalitical confines these new entrants to the job market came from, greater care and attention was needed to cosore their welfare. More often than not, these migrants are quaware of any agreements with their prospective employers nor the conditions in the country they seek employment, The situation is thus ripe for exploitation, not only in domestic employment, but in comployment in industries like the garment industry.



Another factor that increased the welfare role of the embassics was the nature of employment obtained. The majority who sought employment were in the unskilled category, mainly as domestic workers and labourers. This type of employment, where the employee is totally dependent on the employer for his well being, often creates situations of exploitation and harassment which lead to problems with regard to working hours, wages, facilities offered etc., and reduces was required of

diplomatic missions, since they were the most accessible institutions to the migrants.

Embassies however, suffer from a shortage of resources and are therefore ill-equipped to meet the needs of the migrants in the case of an emergency.

In order to meet the need in this critical area. Sei Lanka is to establish more consulates to handle migrant problems in 8 other Middle East countries such as Jordan, Lebanon, Qator, Bahram, Jeddah and Daharan.

At present, there are live labour welfare officers acting as evendinators in four embassics, namely, in Saudi Arabia, Kuwait, Abu Dhabi and Oman. Steps are being taken to appoint welfare officers in all countries with over 25,000 labour migrants. They are, however, empowered to act only on employee complaints or following agency intervention and referrals.

Although diplomatic missions do play a significant role in promoting the welfare of labour migrants, they must be more active in speking out employment opportunities abroad, by studying the category of labour in demand in the host country.

A mission is also in the enviable position of being able to not as mediator in employment simutions where misunderstandings arise. For instance, in the event of disputes arising between employer and employee, the mission could take a more active role by intervening and striving impartially to belt both parties reach an amicable sertlement, whenever such situations are brought to the embassy's notice. This function, apart from being instrumental in creating a safe and propitious environment for housemaids etc. can earn the confidence and goodwill of the host country officials, which could contribute towards perhaps, a marked preference for empkeying Sri Lankans.

Accountability of the Foreign Ministry

It is noteworthy to mention that the Sci-Laukan Ministry of Foreign Allairs, the Ministry under whose purview these. averseas inigrants come, has no special responsibility towards local labour migrants. Nor have any laws heer effected to protect the rights of the worker overseas. Labour migrants come under the jurisdiction of laws and regulations generally applicable in all Sri Lankan workers, whether working locally or abroad: all cases of migrant exploitation referred to the Ministry base redress only to the extent of their being Sri Lankan nationals.

It is imperative that steps be taken to provide the ministry with more authority to intervene in aftercations between Sra Lankin migrants and nationals of their bost countries. As was pointed out in the case of Siththy Pathinia, more active intervention by the Mutatry may have contributed to, perhaps, a changed verdict.

Where does the Foreign Employment Boreau(FER) come in?

The objects of the Foreign Employment Bureau as second in Section 15 of the Sri Lanku Bureau of Foreign Employment Act No. 21 of 1985 are to:

- promote and develop employment opportunities suiside Sri Lanka, for Sri Lankans,
- (b) assist and support foreign comployment agencies in their growth and development,
- (c) undertake measures to develop overseas markets for skills available in Sri Lunks:
- (d) assist licences in the negotiation of terms and conditions of employment with agencies abroad.
- (e) regulate the business of foreign employment agencies and recruit Sri Lankans for employment outside Sri Lanka;
- (f) issue licences to foreignemployment agencies for conducting the husiness of recruitment for employment meside Sri Lanka and to determine the terms and canditions of such ficences.
- (g) set standards for and to negotiate contracts of employment.

Cont'd to pune 20

AROUR MIGRATION

Occurences of Family erosion as a result of a family member having migrated for employment overseas

This analysis has been done on the basis of news items reported in the "Funkadrepa", Divaying", Dinamina, and accorded English newspapers have been mainly used in the survey due to that they provide a wider coverage of such incidents.

Within this period 28 migration related incidents were reported, mainly from rural areas in 13 districts, 42.9 per cent were reported from the Gampaha, Kandy and Kabutra districts, 32.1 per cent were from Colombo, Kuranegala and Mainle, 18 percent were from Galle, Americhapura, Montragala, Hambantota and Ampara, while 7.1 per cent from Polomaruwa.

Type of Incident	No.	%
Deaths	10	20.4
Migrant	2	99
Childrea	7	14.3
Wife	L.	2.0
Suicides	1.3	26.5
Migrowt	- 1	2.6
Children	2	4.1
Husbands	q	18.4
Wife	1	2.8
Attempted suicides	3	6.1
Children left home	5	10.2
Children mentally depressed	3	6.1
Clandestine love affairs	б	12.2
Historide	5	10.7
Wife	1	2.0
Underage girls migrated with	2	4.1
false documents		
Returned to Sri Lanka by employer	1	2,1
Imprisoned	2	4.1
Husband (a drug addiet)	1	2.0
Mother-ar-law (Guershim)	1	2,0
(Sold illegal liquor to feed the children)		
Drunkards	2	6.1
Kidnapped	1	2.0
(Kidnapped by the sou to take Ks.100,000		
sens by mother from Middle Last)		
No.of persons involved	49	100.0

Causes for deaths	No	70
Migrant (women)	2.	20.0
Hocker returned from		
пложень, комминивания		
Migrant's wife		10.0
Maskered by a hover		
(Sti Lanka)		
Children	7	70.0
Mundered by father	4	40.0
(conldu't cope with wife's migration)	Windson.	
Negligonce of anardian	3	30.0
Total deaths	15	100.0

Among those integrants, 96.4 per cent were females and 89.3 per cent were married with children. The migration of the mother, who is the main mainstay of the family in our culture and society, leads to problems and conflicts within the family. The highest rate of incidents reported such as suicides (26.5%) mainly of the husband (69.2% of total strictles) increase the damage to the family unit. Incidents of migration of under age girls with take documents, their experienc of harmsteant at a young age, results in the ruin of their future and disruptions to their mental stability. An occurrence such as a finite being kidnapped by a son to obtain a ransom of Rs. 100,000 sent by the mother working in the Middle Past as a finiteeracid, reflects the extent of family erosion and the breakdown of the family unit as a result of ingration.

Marital state	is of m	igrants
Status	No.	5%
Married	26	92.9
Mute	1	3.6
Pennte	25	29.3
Unmarried	2	7,1
Male	U	0.0
Familie	1	7.1
Total	28	100.0

Causes for Suicides	No	%
Migrant	1	7.7
Boy friend lind married	1	7.7
draving from alisence		
Children	2	15,4
Lonelmess	2	15.4
Husband	9	69.2
Love affair	1	2.7
Drunkardness	3	23,1
(wife sent money to children,		
not to husband because of his		
drumsardanss)		
Indebtedness	1	7.3
This like to send the wife back	1	23.1
wife has sent galle to children.	1	7.7
but only a towich to him		
Wife	1	7,7
Opposed to wife's nigration	1	7.7
Total Suicides	13	100.0
		-41





Cont'd from page 16

- (h) enter into agreements with relevant foreign authorities, employers and employment agencies in order to formalize recruitment agreements,
- (i) formulate and implement a model contract of employment which ensures fair wages and standards of employment,
- (j) examine the authenticity of documentation issued to Sri Lankan recruits going abroad for employment;
- (k) undertake research and studies into employment opportunities outside Sri Lanka, for Sri Lankans,
- (l) establish and maintain an Information Data Bank to monitor the flow of Sri Lankans for employment outside Sri Lanka and their return after such employment.
- (m) undertake the welfare and protection of Sri Lankans employed outside Sri Lanka,
- (n) establish a Workers' Welfare Fund:
- (o) undertake in collaboration with licences, the training and orientation of Sri Lankan recruits going abroad for employment;
- (p) provide assistance to Sri Lankan recruits going abroad for employment;
- (q) receive donations and contributions from Sri Lankans employed outside Sri Lanka and use such donations and contributions for the rehabilitation, guidance and counselling of, and the provision of information and assistance to, the families of such Sri Lankans,
- (r) undertake investments on behalf of Sri Lankans employed outside Sri Lanka,
- (s) undertake programmes for the rehabilitation of Sri Lankans who return to Sri Lanka after employment outside Sri Lanka.

Despite the fact that these objectives encompassed every aspect of labour migration, from migration to the host country, to rehabilitation of returnees, the FEB has not detracted significantly from

its main role as a manpower recruiting agency. This failure on the part of the organisation which was set up primarily to deal with, and only with, every contingency arising from labour migration, can be attributed to the lack of resources, both human and capital which prevent the Bureau from reaching its true potential.

Agency Involvement

At present, about 500 agencies operate in Sri Lanka, 477 agencies had been licensed with the Bureau in 1995. Although agencies are supposed to be accountable for the migrants to whom they provide jobs, no clear-cut lines of accountability are demarcated: only vague assertions of their accountability have been made by the Foreign Employment Bureau(FEB) and the Foreign Ministry, but little or no attempts have been made to guarantee this.

Many of the horrifying experiences of labour migrants have stemmed from the

callous conduct of employment agencies, which fraudulently extract money from impoverished prospective migrants, with false promises of lucrative employment abroad.

It is also imperative that Sri Lanka implement a migration policy on the lines of India and the Philippines, which get clearance from the host country prior to sending their nationals for employment abroad, through agencies stationed in the host countries. If on inquiry, any agency is blacklisted, a national of the respective countries will be prohibited from obtaining employment through them.

The FEB is presently taking steps in order to ensure some degree of responsibility of the agencies, by requiring compulsory registration of legitimate agencies at the Bureau and by blacklisting agencies following complaints by welfare officers, diplomatic missions as well as the migrants themselves: agencies not registered are deemed illegal. Two Sri Lankan agencies were blacklisted last year.



LABOUR MIGRATION

CASE STUDIES - SRI LANKAN

canguant av Sepulai Eernanda, Karanu Guniako, s. Renaku Jusu But.

Subject to a visit internets used 40 years and

Subject to a visit interners agen on years and that been emplosed common as an armony many made in the Boule result of the resolute light. The presence of the product of t

The (Close of a season in the adventure appear of the property of the consequence of the consequence of the property of the consequence of the property of the consequence of the conseq

The story in overconder countries the Cartie of Technique of the story of the story of Carties of Carties of the story of

the way cophicidate his construction rate of a supervisore paperby, in will provide our party. The work indicates a first employment particle than 26 project of service was allow a more than 26 projects of service was allowed to exceed the resource project of service to exceed the service projects of the the service projects of

Disconsideration That is set principle on elementary residence of resi

soldigat is control taged on young apply on mostly one cardinary. Devel contents of the folial of a control of the state of the folial of a control of the province of the folial of the

The other was worked will then in Decemberation over these in these and a resolver ratio of a worke or the subjects function frames.

Resolve for a court everyor resolventur

590 et si via comedicate dispositi como reggio 690 p. 1994, mesque propositi dispositi di mandi mandi di mandi man

Skill i 1998 to Bar Barria on her general remes resto se soleta paera succiminerand potar deser har expellingen en magazine Barrian remensary se autoritus;

When in Schamich on all agreeter was fit and processed as surface subject of different processes of the processes of the processes. At these processes of the p

The contains of factors between men of Fortion bottom. Detailements and Poetoents were of entitled a security to be the factor of the control of the control

The potential way has a control purchased and processed price for impaging the discussion reminders of the control case is a reminder of the control case is a reminder of the control case is a reminder of the case is a reminde

Achievante on Control That constrained a compact stream control by no each profer there and effectual many and happroversed the acciding or the tent of the page passes while the ducal People's Bank (name). Desays action of the short diese part to element the artificial east magnetic. Her almos symmetric sources to the applicable source source of the artificial content of the property of derivatives the source of the artificial east of the artificial east



Scholar is a Shakki seman opos 14 gene nemet or the love disportured sopon, or sevent or hunge of all as emplicate the sec niferior number, solice that Tabulas audior ope 15 c. K. Scholary keedstandard

Research the inclusion in released caldinate their continued in front inspiring, allegate their continued which their continues which is offer the Release which is their continued released to the continued relative released to the continued relative r

in 1966s, someout mour excrated any harbot symbol th Months of his account to a capacity of characters. Her tenning solvey was its 1500 Her statute terrain in 4 and a but pay daily evolute inchales exacting restains to stance of contites, applicing operations for the age of familiar versions for finites in the booker, fine eta Contratorio de los in abidero guidas. the weeked difference and carnes for sources concern and confidence. While should be concerned to be bediend who nich Patenty for knowly appraise. After 5 years dealing surveit the confidence of his improved that everyweed due she seek amples A in maken the impact of a higher common to be a settinged while combining to the wife there is the entire a setting the encountered can be of the provider by Hoding epiporable for the long of a larger manter souther Assistant Assistant a oporat, refrech an integers helpen me couple. Obtac hausens eart, eargad so in Depart, 25. the water care and experience and an experience Yaking Na Amppion (in parametracina dan da aktir Lanks, While the some a specified raising. Sike striple were able to make publicated maney by solefullias is ones arabotic brated home Alfonolico in comunic acció bologia socio more with entaility too. All, the sensons of Nording Visitor (Deloc various violat Heistonicio

LABOUR DIGRATION

On their return to Sri Lanka after a 12-year stay in Kuwaii, her husband died in a motorcycle accident. Subject is now preparing to return to Kuwaii in order to provide her sons with a sound education. She plans to board her older child at school and leave the younger with her mother-in-law in order to do

Achievements: purchased coconut lands in Kurunegala, Has completed a single storeyed house with modern amenities and wall to wall carneting.

Observations: by the subject's own admission and judging by her experiences in Kuwair, the Kuwaiti work environment is more conducive. to employing Muslim women than is Sri-Lanka. However, it must be admitted that the subject seems efficient, intelligent, a quick learner, amiable, which are unusual qualities for a Muslim woman, since Muslim women are normally very conservative and introverted. The fact that she is Muslim enabled her to identify herself with the culture, language, religion and pattern of family life in the Arab world. Her claim that Arabs preferred to eat food cooked by Mushins is a case in point. Her approach to employment abroad is that it is the speediest means towards. carning to meet the status and financial requirements of her in-laws, which stemmed mainly from their condemnation of her for being poorer than themselves.

She is now accepted on equal terms by her inlaws. There was no intercuption in her child's education because the extended family system which is predominant among Muslims in particular. Her children are supportive of their mother's efforts to earn abroad.

Case study 4.

Subject is a Sinbalese, aged 30 years, had failed her G.C.E. Ordinary level examination, having qualified only in 5 subjects. She has one daughter aged 5 years. Her husband is a carpenter, carning between Rs 2,500 to 4,000 p.m. It was a marriage between cross cousins, therefore the bond between their families was stronger than most. They had been living in a small cadjan but situated on encroached land. Because of their dream to own

their house and property, she was begulied by a "middleman", who recruited for job agencies, who impressed on her the wealth and glories to be found in the Middle East.

She went to Kuwait despite opposition from her husband and parents, leaving her child in her mother's care. The child was well looked after. She worked for a family of 13, of which one offspring was married. Her employer was an army officer, his wife was unemployed. Her daily routine commenced at 4 a.m., ending at 11 p.m. Daily she washed the house the clothes of the entire family (according to her, she was required to first hard wash the clothes for the entire household and machine wash them afterwards). She very unhappy there, being unable to adjust to the Arab lifestyle or to learn the language. She found the different meal times ie – breakfast was at 11 a.m., and funch at 3 p.m., particularly upsetting. Her wages were paid only during the first two months.

Altogether, subject's stay could be subdivided into groups of two months: the first two months when she received her pay and which were considered an apprenticeship period by her employers. She had a relatively peaceable time with her employers, the next two months during which time no pay was received and she was mercilessly abused, both physically and mentally by her employers, and the next two months which she spent in hospital as a result of the abuse. Subject containing to her employers of the work being too beavy. Due to her complaints, from about the third month, the master of the house began hitting her and her wages were withheld. Her arm would not function following the first assault. When she appealed for medication for her arm, they did not provide her with any. She then escaped to the Sti Laukan Embassy, which contacted the private agency through which she came and, on her pies that she could not go back to her employers, found her another house. However, her new employers demanded that the agency remeturise the money paid them for recruiting the girl if they wished to retain her. Since they were not prepared to do so, she was forced to return to her former employers. On her return, she was severely assaulted again; burnt and beaten to the extent of causing head injuries. She then escaped back to the Embassy, whereupon the Embassy officials reported her injuries to the dachna police, as was required by law. The police conducted an inquiry and subsequently admitted her to a psychiatric ward where she remained for two months. after which time she was transported back to Sri Lanka with only her bespital garb. By now, she had reached a point of acute physical and psychological trauma; her body had swollen, she had retreated into herself.

Financially, she was back to where had she started, perhaps to an even lower point on the scale of prosperity since she was now burdened with the heavy debts incurred to meet the cost of her air fare to Kuwait, and the fact that she returned with not even the clothing she had taken to Kuwait.

It should be emphasised here that the agency played a very irresponsible and unscrupulous role. Firstly, it withheld her family's request to search for her during the two months she was missing: it was only at the point when her family resorted to violent threats, that their request was faxed to the agency's counterpart in Kuwait and events were set in motion.

Observations: subject is lethargic untidy in appearance, slow reflexes: one has to determine whether her lethargy is a natural characteristic or if it is brought on by the trauma she underwent to Kuwait. Evidence in fact points to the former: prior to going abroad, she was engaged in making conbrushes (for which she was paid @ Rs 1 per brush). On average, 100 brushes can be made daily, but her maximum output was only 40 per day.

Case study 5

Subject is a male aged 36 years, the father of times—two sons and a daughter. He has passed his G.C.E. Ordinary Level examination. He worked in Saudi Arabia as a heavy vehicle driver for 5 years, then went on to the Araba islands where he was employed as a concrete worker for one year.

Reason for seeking overseas employment he was married at the young age of 17 years to a schoolmate and was the father of a child by age 19. Due partly to his early marriage, he was unable to accept the responsibilities of family life, a fact which motivated him to seek jobs away from home. Therefore, at the age of 23, he worked at the Mahaweli project in Randenigala as a construction worker for about 4 years.

He went to Saudi in 1988 as a driver, despute his wife objections to his departure. He earned Riyal 600 as the statting salary. returning to Sri Lanka in 1993. On his return, his family life deteriorated and he was divorced from his wife soon after. In November 1994, he worked for a year in the Dutch administered Amba islands as a concrete worker. Although, his Sri Lankan job agent had signed him to a starting salary of Dutch \$ 300 p.m., he was awarded a salary of Detch \$ 500 when he took up his job in Aruba in accordance to the minimum age requirement supulation of that country. By the end of his contract, he was earning approx-Dutch \$ 1,422 (approx. Rs 40,000).

Observations - subject seems an egoistaperson who distikes responsibility. By his own admission, he adapted well to the overseas lifestyle because of the respite from family obligations and associated responsibilities it offered him. He had several illicit relationships, which contributed inwards his dissatisfaction with his wife. In this context, it is noteworthy to mention his attitude towards

LA BOUR, MIGRATION

included the feether of the personal of a control of the feether of the personal of a control of the personal of the feether of the personal of the feether of the feether of personal of the feether of the feether of personal of the feether of the

a consequence of through expectationally pure processing the state and the consequence of the state of process and confidence of the state of the st

successful a

in the only say made, confugerable, about our wide son sian denalities. The time out their conducts a and powering and bissions as a sensitive since in tions festived. Notice injuries in Nation of Approximate THE WAR THE ACTION SECTION ASSESSMENT encoving a recoulding mount on humania as the autority of the particle of the ers trong some comme tactors in count and arriver to semplers white great transcription transcription from their the peaks with classified to seem helter prospects automs. Site nandow, a gris of a beingement to Research through a trieval, and state highly amplicable there will enoughly war uncertain was PYSCHAL No. centology No. Kniver and Orlinic They have Dinguist this are and they 40 years said discribed also have an Alexandra as rule as the first in a Laborator topicity, where the wor next his 7.50% plantage a sycretic address

While me the Netherland Early, the cold is a recommendation of the action of the object of the action of the actio

To small in the function was competed the size of remaining to Latter in past only then that the resolution following the function of the past past and appetition from their extract covers. We arrest as the covers of the cover

AHROMERICA

Lisa eridonis invester dintra bandare to ese sancias bases

Some there is a recommendation of the comment of th

Association

or for the profession, internals of both more, or providing the second labour paleigness were accepted for the season.

One Stage of appears of the relative and applified appears of worker of the release arappears are assembled by an important of the independent are sent by a service of the independent of the point of a service of the point of a service of the point of a service of the service

per painghras de paint agus ar ann an ar the sciontar general holoson willer solla, a assistant hui die salgest bas eten sagar da sa ee oe eachean characters in the area in it displays service and any sector of the grade at the entropy of ply, as a markets has essenting tradition nachijak menganakan kepalah kelalah pang jayada Halling S. Ball Care System and Buckley Archive and Mile being interestable produce propriet between ciers. pur persons for anienterine a term personal Affinish vacue carries the factory postures. prima form, goardines the affective of the girls. sach aguitations reserve restrict malestical freedom. The first that the total are toroids es bearteurs ad cela abuta melapore est caining trutusint a virtació capilive hibrat inte Discount it is took from as outdoor the other hand, durate oper cleve you resome a Rus to by ing projective the incident the participancy In microsportamental de la Alberta del Marchaella de ment in the control was great up into

Car simily the orappe of discount can be seen cause therefore or count in the months are the care pave times are in in pageine many the day plant areas the men that was followed as summarise the first of the control flow o

Kalifondonial Stati North Alice of electricis balanca michibility of book as one market and Not year developed another series authors. He was a alverte a count in it couldbe in the restances to the subject of the Albertain and his appliedly dok assemble to her etrological color most consciute boss secreptions the result with the feet are a subtake, may graphed region and refree, and water outof heavening interpestive you organisms is a lay recoverable of the activities practically and the remains culture and the suntaining training for a supply o uniterligite. Ear very massions can are allettes from all the season may stay that come or serve wheel, inc. then its should are it an stablishe workers allowers an house gundaske til mokenski tokone og more athorns tour new

One Study if a hyplical or more than seqconditioner wereteen as a recent of discount state from our nameur states 25 and pour are more the exception may be the above reverbelles and to not personally actions up of the lightly unit is not personally actions by factors are seque.

One made of the repeat of many of the executation of which the property of the experience of the grown carried post of the experience and the form of the families of the standard standard to also without the families of the standard standard of the families of the standard carried to community, who in contradicts strained carried posts of the standard carried to a standard the standard standard the standard standard the standard the standard carried to the standard the



LABOUR MIGRATION

Labour Trends in Gulf Countries

Whether or not Asian countries can succeed in improving or even maintaining their share in the lucrative Middle East labour market will depend on their ability to compete with other countries, both Asian and non-Asian, in providing the various categories of manpower for which the Gulf region is most likely to remain dependent on expatriate labour. This will also determine whether the Asian region can retain, or perhaps even increase, its share in what has been during the last few years a declining labour market. It is. therefore important to assess the future demand for imported manpower by skill category and identify the factors which will determine the selection of the source of these imports.

SAUDI ARABIA

An overwhelming majority of Asian workers in Saudi Arabia have been semiskilled and unskilled labourers employed mostly as construction, agricultural and service workers, including domestic servants.

The employment of women is restricted to three fields: health, education, and general services including domestic servants.

Trends among male workers during the past five years in which oil revenues have declined substantially:

- The share of Bangladeshis has shown the most marked increase.
- The shares of Indians, Indonesians and Filipinos have also gone up.
- There has been a increase in the share of Pakistanis and Thais.
- The shares of Sri Lankans and South Koreans have fallen upto 1994 and rapidly increased in 1995, from 10,483 to 18,238.

Among female workers the pattern has varied.

 There has been an increase in the shares of Bangladeshis, Filipinos, Indians and Indonesians. However, there was slight drop in Filipino employment in 1994.

- The shares of South Koreans, Pakistanis and Thais have fallen.
- The shares of Sri Lankans declined in the mid 1980s but increased drastically, from 13,978 in 1994 to 40,978 in 1995.

Of the various factors which can explain the changes that have taken place in the shares of different nationalities, three can be distinguished as being the main ones:

- (a) Cost competitiveness
- (b) Structural changes
- (c) Government regulations

The data (pertaining to the final year of the Third Development Plan, 1984/85) show that workers from the sub-continent are the lowest paid. Workers from the Far East countries are only marginally more expensive, except in the unskilled category where their cost is higher by 14 per cent. The cost differences including fringe benefits would be even wider.

BAHRAIN

Bahrain had been able to counter the effects of the oil slump until 1985, In the following years, however, the Bahraini economy was hit by the oilgenerated recession, The already growing awareness of the need to reduce dependence on expatriate manpower, symbolised by the 'Ten Thousand Programme' launched in 1980 with the aim of replacing expatriates occupying 10,000 identified jobs with suitably qualified Bahrainis, received added impetus with the onset of recessionary conditions. For the first time in six years, the number of labour permits issued to foreigners registered a decline in 1985. In 1986, the acting Prime Minister emphasised that all available Bahrain expertise should be used before foreigners were recruited.

Asian countries accounted for 78 per cent of Bahrain's total expatriate work force in 1985. Of these, India was by far the largest contributor, meeting 44 per cent of Bahrain's total requirements of foreign manpower. Pakistan accounted for 19 per cent and other Asian countries for another 15 per cent.

Of the total increment in the foreign work force, Asians accounted for 91 per cent during 1981 to 1985, as against 86 per cent during the preceding four-year period. Whether or not this trend can be sustained will depend on the ability of the Asian countries to compete with others in meeting Bahrain's demand for foreign labour.

Future prospects of foreign manpower

Bahrain does not formulate comprehensive development plans and a biennial budget serves as the main instrument through which the Government works for national economic development. As such, the Government does not announce the setting of a growth target either for the economy as a whole or for individual sectors. Major policy announcements indicate and set the future course of the economy.

The effects of the economic slowdown on the demand for expatriate labour had already started becoming evident in 1985. Towards the end of 1985, the Director of Labour admitted that the 'government's "hire Bahrain policy" will dislocate many of the expatriates'.

Another significant aspect of the Bahrain employment market is the participation of Bahrain women, whose participation in economic activity is known to be increasing.

Encouraged by the possibility of not only restricting further increases in expatriate manpower but also reducing the number of foreign workers, the Bahraini government introduced tighter guidelines for the recruitment of expatriates in April 1986. Efforts to increase the share of Bahrain nationals in the labour force and to improve their of have subsequently been stepped up.

LABQUR MIGRATION

Those heads show that east has been the main determinant of nationality preference. While the talking share of fronth Koreans and Thus reflects a slow-down in construction activity, the share of low-cost 'other Assaus' has continued to increase rapidly.

entrarab Entrate org

The comony of the United Arch Entimes (IIAE), being heavily dependent on all has been hard hit by the nit slump of the 1980s. Export earnings from nit which peaked at US\$ 19.4 hn in 1980 declined gradually to US\$ 10.5 bn in 1985. In the following year, they fell drawically by nearly 40 per cent, in US\$ 6.4 hn. Nevertheless, the recent Federal Budgets, due in uncertainties surrounding revenue ferreasts, provide for a lower level of both revenues and exponditure.

Asian workers

tr is clear that more than three-fourths of the workers have been provided by Asian countries, hadises have accounted for over 40 per cent of the expatriste work force, Hangladesh (4.0 per cent); Philippines (2.0 per cent); Sri Lanka (1.2 per cent); South Kores (1.0 per cent); and Thailand (0.6 per cent).

Other Asian countries, nombly Hangladesh, the Philippines and Sn. Lanka improved their theres with substabilial not hillows during the 1980s and 1990s.

Recent trends in manpower demand

Domand for expetriate manpower has been increasing for all occupational categories except production process workers and libbources. Large absolute reductions were experted in this category during recent years.

There are prospects of the UAE continuing to import manpower, not only to meet its limited. requirements of additional labour but also in its attempt to substitute cheaper labour and thus reduce wage cases. It is likely that the UAC will increasingly out for the chespest sources to meet its requirements not only of unskilled and roiddle-level manpower, but also of highly quolified professionals. Past experience clearly demonstrates an increasing tendency to substitute workers of lower paid nationalities for those of higher-paid nationalities. This tendency is likely to persist and countries which can supply manpower at less than the provailing wage rates would be able to capture an increasing share of the labour market.

KUWALI

The decline in oil prices and revenues in the Kuwait ecoming gradually accentimed after 1982. Having remained relatively steady during the years 1983 and 1984, the real rate of economic growth declined sharply falling by 40.9 per cent in 1985 and 16.7 per cent in 1986. This decline, chupled with the Gulf War, resulted in an imprecedented economic slowdown. Kuwaix's development planners viewed this slowdown as an appointmity to recises dependence on non-national workers who constituted BL 5 per cent of the total work. force in 1985. The highest priority of the Development Plan covering the years 1985/86-1989/98 was to move towards changing the population and labour market imbalance in tivour of Kawait nationals. The Plan's additional manpower requirements were by Kinwaitis to the extent of 30 per cont, as such excluding the share of foreign workers in the notal labour force to about 75 per cent by 1990

Unnt 14901, workers from other Arab countries constituted more than holf the foreign work force of Kuwait. Among non-Arab countries, India, Pakistan and Iran were the leading contributors to Kuwait's expannate manpower, Since then the balance has changed and in 1985 workers from Asian countries accounted for 52 per cent of Kuwait's total foreign work force. Indians, Pokismois, Hongladeshia and Sri Lankons together constituted 83 per cent of the oreal strength of Asian workers.

The recent trends throw that the pace of increase in domand for certain categories of manpower has slowed down considerably.

There is strong evidence of an increasing preference for Asian workers who until 1975 accounted for only 30 per cent of Kuwait's foreign work force. Their share gradually increased to 52 per cent in 1985, aided by an increasing remoney to substitute Asian workers for Arab workers.

It is however known that wages have been on the decline since the lost three to four years, both as a result of the increasing proportion of lower-paid nationalities such as Bangladeshis and because of a lowering of wage rates in the wake of the increasing availability of cheap labour. The only available indicator of falling wages is the lowering of the approved maintnum wage by various Asian governments.

There are prospects of Kawait continuing to import management and early '9 meet its requirements of additional labour but also in its ariempt to substitute cheaper labour and thus reduce wage costs. effects of fulling oil prices by increasing its production levels. Unlike the other Gulf oilexposting countries which, as members of the Organisation of Permleum Exporting Countries (OPEC), had to comply with its decisious on pricing and production quotas, Oman enjoyed the freedom of increasing its production levels as well as offering price discounts on its exports of crude oil. Hence, while other Gulf councies were faced with declining oil revenues after 1982, Oman's nil revenues concinued to increase and amounted to RO 1.51 bn in 1985, an increase of 23 per cent over 1984. In 1986 however, as a result of a further decline in nil prices and pressures from neighbouring OPEC members to curtail production. Oman's ail revenues drapped to RO 928.9 m. a 28 per cont decline despite a

devaluation of the rial by 10 per cent in

January 1986. This forced a scaling down of

the Third Development Plan (1986-1990) by 14 per cont in 1986 and again by 10 per cent

in mid-1987 with, subsequent cuts in

poyerment project expenditures. The annual

net inflow of migrant workers which had been

consistently positive since the start of the oil

been in 1973, gave way to a net cordow of

about 17,000 in 1986, or about 5 per cent of

the expatriate work force in 1985.

Until 1985, Oman was able to counter the

Asian countries provided 95 per cent of Quan's increasing number of foreign workers over the past fifteen yeals. Four South Asian countries - India, Patesian, Bangiadesh and Sri-Lanka - accounted for nearly 90 per cent of the 313,000 foreign workers employed in Oman in 1985, to the private sector, which employs more than 90 per cent of Oman's sotal expansate work force, 96.4 per cent of the workers were from Asian countries.

It is clear that the increase in the foreign work force slowed down after 1983. The decline was most marked in the eategory - production prucess workers. An important factor in this decline was the slowing down of the rate of expansion in construction activity. The downward trend in additions to the foreign work force has continued.

Official pronouncements on the policy reducing expansive manpower have been complemented with increased efforts at upgrading and diversifying the education and training programmes so us to facilitate 'Chromission' of the work force.

In addition to the highly qualified foreign professionals which it will continue to require, Oman will have to retain a sizeable number of various other categories of middle and lowlevel manpawer.

MIR

ABOUR MICRATION

Bureau's entry into housemaid recruitment protects women job seekers from agency exploitation,

says Nissanka Wijeratne



Why was the Foreign Employment Bureau setup, despite the fact that a foreign employment division in the Department of Labour was already in operation?

Until 1985, the foreign employment business was administrated by the Foreign Employment Division of the Department of Labour and was upgraded in 1978 from its former function as the Foreign Employment Unit.

By mid-1980 however, in the face of the rapidly escalating workload, the division proved to be impractical to operate: it was neither powerful enough as a regulatory tool to cope with the newly emerging trends, nor did it have the administrative strength to organise and monitor the process.

By 1985, the average outflow of migrant workers reached 50,000 and was still expanding. The number of agencies registered with the department rose to about 500, which warranted a tough monitoring system. Several illegal and unauthorised recruitment agencies also emerged to take advantage of the boom, and the situation needed the immediate attention of an efficient controlling body. The significant contribution made towards the Sri Lanka's foreign exchange reserves by way of private remittances and the

solution to the country's unemployment problem that it offered, emphasised the importance of strengthening manpower recruitment overseas in a more organised manner.

A better set of guidelines and an international promotional programme were also deemed necessary to compete with the other labour exporters in order to expand the Sri Lanka share.

Concerned about these new developments, policy makers and planners urged that new mechanisms be established to manage and operate the progress towards a "manpower exporting industry". It was also accepted that an independent body should be created to cut through the red tape of government departments. These special requirements led to the setting up of the Sri Lanka Bureau of Foreign Employment in 1985 by the Sri Lanka Bureau of Foreign Employment Act No.21.

What are the objectives of the Foreign Employment Bureau?

The main objectives of the Bureau as stipulated in Section 15 of the Act could be summarized into 3 broad areas:

- (1) Promote overseas employment for Sri Lankans by exploring the maximum potential for job opportunities.
- (2) Regulate the business of foreign employment.
- (3) Undertake measures for the welfare and protection of the migrant worker.
- (4) Undertake recruitment for employment abroad.

To what extent is the Bureau accountable to the migrant?

As indicated in Act No. 21, the Bureau's main concerns in respect of the migrant worker are:

- (1) protection while in employment abroad.
- (2) regulation of agency, activities so as to protect migrant workers form cheating and malpractice.
- (3) provision of conciliation and welfare assistance in the event of migrant workers and family members being in distress.
- (4) maintain better follow up on terms and conditions, thereby safeguarding the interests of migrants.
- (5) provide guidance and counselling assistance to migrant workers

As stipulated in Section 15m of the Act, the FEB is empowered,

'to undertake the welfare and protection of Sri Lankan employed outside Sri Lanka.' This clause has been made deliberately vague in order that it could be interpreted according to the action required in any specific situation.

The Bureau can regulate agencies by imposing terms and conditions, for egcompulsory service contracts which are entered into between the Bureau and agencies, and subject agencies to specific terms and conditions imposed under Section 15m.

What percentage of workers obtain employment through the Bureau?

Although the Bureau is empowered to directly recruit persons for overseas employment, it does not act as the sole recruiting agency since it has a more comprehensive package of obligations

. A B O U R M I G R A T I O t

tewards the industry, especially in the area of policy planning and implementation. However in recent times, it has changed this policy to some extent and tried to upgrade direct recruitment, which resulted in the recruitment of housemaids as well being channelled through the Bureau.

Why cannot the flureau act as the sole recruiting agency?

The Bureau does not have the resources to carry out the work presently undertaken by the approx. 500 agencies stationed here. Also, acring as the sole recruiting agency would be contrary to the open economic policies of the government, which aim at providing equal opportunities for business enterprise.

The main reason for the Bureau's entry into the arena of housemaid recruitment was or protect women job seekers from explaination in the band of job agents. As a result, migration cases in relation to housemaids came down drastically, compelling recruitment agents to follow the terms and conditions set out by the Bureau if they want to attract women for the jobs offered.

Table 1

Are there any specific insumous of exploitation which have been mirigated by the intervention of the Poweau?

The main area of exploitation is at the stage of issuing tickers for travel to the Middle fast in take up employment Although the prospective employers sund their air lare, agents maintain that this is not so, thorsby recovering the full cost of the face, twice over Often. most of the poor labour migrages are compelled to soll or martgage their houses and land in order to meet this cost. The Bureau steps in here by offering the prospective migrant froe air. passage if he accepts employment through the Hureau. When this system was initially introduced, there was a mass thocking of migrants to the Bureau, and agencies suffered as a result. Therefore, this measure compelled agencies to me the line by offering thee air passage mo, in order to compete with the Bureau.

What are the measures taken by diplomatic missions to prompts the welfare of migrants?

In addition to the above, diplomatic attaches already functioning under the direct supervision of the Ministry of Labour, coordinate with the Burgau in sountries which employ over 25,000 Sri-Lankans.

In cases of reported abuses of migrants workers, what authority does the Bureau have in order to intervene?

In a situation where violence and tourder has been reported, the Bureau, in collaboration with the Foreign Ministry, initiates action against such cases. As the law related to this type of matters cames under the purview of Ministry of Foreign Alburs, the matters are taken up at the highest level.

Why was compulsory registration of all migrant workers deemed necessary?

Compulsory registration nims at currailing illegal agency activities. By registering all migrant workers, the Bureau ensures that particulars of the source of employment, namely the employer is provided.

An official visit to the Middle Fast by a delegation headed by Hon. Minister of Labour and Vocational Training last April, found that the majority of workers who seek assistance from our embassies were not registered with the Bureau, and the unregistered job-

Year	No.Deployed by Bureau	Nn.Deployed by Licensed Aponts	% recruited by Bureau
1990	457	42,168	The Air cold
1991	263	64,805	0.4
1992	274	44,378	0.6
1993	130	48,623	0.3
1994	280	59,887	100 and 0 0.5 met sile
1995 June	491	40,613	1.2

At this point, the average number of recomment done by licensed agencies throughout the above period should also be studied.

The above figures show that, as a single recruitment authority, the Bureau was predominant throughout the years except in 1991 and 1993.

solving the disputes and complaints of migrant workers. The Bureau in its next year plan has included the appointments of 8 representatives to Sri Lankan Embassica in the Middle Fust and those Asian countries where Sri Lankans are employed.

The Cabinet recently approved a project to emplay 8 welfare officers in

agencies which recruited them were improvible to trace. So they were unable to avail themselves of the benefits of welfare assistance such as mourance, free repatriation etc., which were provided for registered workers. Therefore, it was decided to introduce the system of compulsory registration. Furthermore.

It is also considered impactant to have

LABBUR MICRATION

Table II

Year Year	No. Deployed No. Agencies		Average per Agency		
1990	42,169	220	192		
1991	64,805	237	273		
nuider has 12001 sported, the	44,378	1181 via visult 273	163		
1993 an arabinah	48,623	5 Fr 5/4 (6/1200/250	194		
1994	59,887	200 - 300 -	186 and the		
1995-June	40,613	364	25 m Strow 112		

a good database of migrants leaving for overseas employment.

Has this measure been successful?

Yes, to a great extent, it has. Before this registration system was introduced, the average outflow as reported by our existing registration system was around 5,000 per month. This has reached around 15,000 after the new system came into operation in May last year, registrations reached 15,954 escalating to 16,408 last June.

Are there any problems regarding its implementation?

There was some criticism of the registration fee charged in respect of those who travel back to overseas employment after vacationing in Sri Lanka. Taking into consideration argument, the Hon.Minister has gazetted a reduced fee of Rs 3,200 with effect from 24th Oct, 1995 for those who travel after vacationing, irrespective of their salary scales.

What are the benefits of the <u>Suraksha</u> insurance scheme introduced by you for labour migrants?

The Suraksha Insurance scheme which came into operation since 15th October 1994, has proved to be very beneficial to most of the migrant workers in many ways. The significant feature of this scheme is that no extra money is levied on the migrant workers. The premium of Rs 480 per person was originally shared between the agent and the Bureau, but a recent decision, exempted the agent from

contributions and the sole financial responsibility was taken over by the Bureau.

A further extension of this scheme was introduced in July last year so as to insure the family members of the migrant workers against the medical and educational expenses of the migrant worker.

Is insurance compulsory for all migrants?

Insurance is a free facility provided for every migrant worker who registers with the Bureau. Since registration is compulsory, insurance is automatically activated in favour of the migrant workers on registration.

Under this scheme, 104,005 migrant workers have been provided with insurance policies as at end September 1995, (see table 3), for which a sum of Rs 28.7 m was spent. Of this sum, almost Rs 15 m was borne by the Bureau.

by the Bureau if they want to athract

Cont'd to page 29

Table III

MIGRANTS INSURED UNDER SURAKSHA · SCHEME, ON A MONTHLY BASIS

1994	October	2,523
	November	5,002
dangahang di Sect	December	6,015
1995	January	7,754
	February	5,634
	March	4,452
b :	April	6,975
Carried bare to be to	May	10,535
ni urangfi adif _{i i} gg	And a margine June associates	10,318
ing an esonage Ling an esonage	July	11,819
ne water State and Street States on	ni eiszadine 1005 entaA August	14,078
engle	September September	18,900
Total men	estenide Ingal a leadingle	104,005

ABOUR MIGRATION

unna

Conc'd from page 47

It has been reported from time to time that several gigantic development. projects in the Middle East which required foreign labour are now completed and also that their attempts to sugage indigenous workers have decreased the demand for foreign labour. However, this trend would not uffeet. Sri Lanka very much, as most of the employment opportunities available in this region is for housemaids. The demand for housemaids will continue to exist in these countries due to the sacial distinction of having them. The emerging signs of political stability in the Middle East are also favourable for funcion employment activities in the future, following the end of the Arab-Israel conflict and the Lebanese civil war. Furthermore, it will be politically more favourable for Arch countries to recruit Asian workers for the vacua cice created by the exportation of Palestinian, Sudancso, Yeman and Libyan nationalities in large numbers from

Kuwait and other friendly nations after the Kuwaiti invasion.

According to estimates of foreign manpower requirements, upto the year 2000, foreign labour participation between 1994 and 2000 declined by only 5 per cent.

Although there will not be a drastic change in the demand for labour according to these etatietics, it is possible that a competition for the supply of ishour could arise. In this situation, Sri Lanks will face severe competition from the Philippines, Thailand and Bangladesh.

Notes:

- Maithripala Senanayake Cabinet Sub-Committee Report-1974
- Ariyawansa D.M. (1989), Korale R.S.M. (1989) and Perera P.D.K. (1985).

Table 12

Estimated 1	ahour force	requirem (foreign v			eration	Countri	1216
Списту	1594	1995	1990	1997	1988	1999	2000
Sand Arabia	3104.4	3095.8	3044.8	2010,6	2972.6	2930,9	2886.2
Kuwait	614.2	639.9	835.4	630.6	635.4	626.0	614.5
Bahron	109.1	107.0	104,8	102.5	100.0	97.5	94.8
Quatar	153.0	153.0	152.9	152.6	152.7	152.5	152.5
DAR	1096.7	1100.4	1104.4	1105.6	11111	1114.5	1117.7
Oman	324.5	323.9	322.9	321.8	320.1	318.1	316.1
Thani	5437.2	5409.0	5865.2	5826.6	5291.0	5288.8	5181.1

Source, Journal Writish (1992) Policies and Labour demand in C.C.O. countries.

Cont'd from page 28

Have there been any beneficiaries to date?

Yes, by September 1985, 665 migrain, workers were repairated under the subtene which provided them with the cost of their air rickets, while five deaths were compensated with payments of approximately Rs 125,000 each. The total sum of money involved in worker welfare was Rs 10.1 m.

We understand that reveral training centres were set up under the auspices of the Bureau, What types of training do they provide?

There are 13 training centres functioning under the Bureau to date. A further 12 centers throughout the country will be established sherily.

Training for housemaids covers the various espects of housekeeping which include conkery and the use of modern kitchen equipment, social and cultural adjustment, a basic knowledge of Arabic and English, banking functions, especially savings.

As the training corollecte for howermaids was made compulsory with effect from last December, intensitying training facilities was considered a most. It is intended to train about 65,000 prospective migrant women per year, by these copies.

Vocational training for julki operators for the garment industry is carried out in contres viluated in Regallo and Kurunogala.

The present centers are located in Calombo, Galle, Matira, Tangalle, Badulla, Ramapura, Kondy, Matala, Kogatte, Kurumegata, Christy, Meorigana and Anuradhapura.

What are the Bureau's future plans, if any?

The Bureau intends to go beyond its function as a mere manpower recruding at a spency. Future plans include the intended re-organisation of the Bureau inter an Authority, which will give us more powers. A high-powered emantities has been appointed by the Minister of Lubour to study and report the necessary amendments to the

existing Direign Employment Bureau. Acr. It is also intended to close the loop holes of the present Act. There will be more constructive policy decisions regarding administration of the influstry, procurement of recruitment and stipulations of the terms and conditions of employment.

Some of the other future plans of the Bureau for 1996 are as follows:

- (1) Appointment of a Bureau representative to key Middle East and Far Eastern countries.
- Raise the number of training centres to 30.
- Create an Overseas Workers
 Wolfare Fund for the benefit
 of migrant workers and their
 family members.
- Recruitment to be raised to 150,000 during 1996.
- Establish and operate the Foreign Employment Promotional Pand.

LABORR MIGRATION

The Trauma of Change

In the gross outflow of unskilled labour migration, women far outnumber men. Statistics indicate that in 1994 alone, 130,027 women went to the Gulf region on contractual employment as housemaids, which amounts to 78.9 per cent of the total unskilled labour force. Surveys indicate that these women are from the lower strata of society, for whom the economic motive is uppermost in their search for a better standard of living for their families.

One of the most dominant factors which prompt the exodus to the Middle East is the perception of the riches that await them: this perception, whether true of false, is strong enough to relegate the primary considerations of family welfare, temporarily to a secondary role in the hope of future betterment. Surveys conducted by the Women's Bureau of Sri Lanka have ascertained that most of these women have dependant families exceeding six members, earning an average monthly income of Rs 1,000.

More often than not, it is women with husbands who are not holding down a regular job, who seek contractual employment overseas, and among those who do have a relatively steady job, many have a lesser sense of responsibility towards their families. It is also, unfortunately, women in this category who mainly lack the social support system that is vital when leaving their families to the mercies of society.

Most of the women who seek employment overseas are between the ages of 18 and 45 years, that is, the reproductive period of their lives. Since the women labour migrants are relatively young, the children they leave behind are on average, between 5 and 15 years of age. A study done by Dr L.W. Jayasekera established the fact that of a total of 274 children left behind by their mothers, 80 per cent were under 15 years of age. Therefore, a strong support

Focus on the social and psychological impact of labour migration on the woman migrant and her family

system is vital in order to ensure minimum disruption of the family unit. This support more often than not, is unavailable to many women working overseas, which aggravates the social and psychological problems faced by herself and her family.



The social and psychological impact of this exodus of young mothers could be attributed to changes within both the intimate functionally inter-dependent family unit as well as the changes in the personalities and values of these young mothers and wives as a consequence of exposure to an alien environment for which they were insufficiently prepared.

Although the woman's contribution towards her family is not quantified in economic terms, she is the cornerstone of the domestic empire. The employment market overseas, particularly in the Middle East, opened up hitherto undreamed-of opportunities for women, which resulted in a mass exodus in search of petro dollars in order to alleviate their straitened circumstances. According to eminent Child Psychologist Dr Hemamali Perera, 'the mother is the key attachment in our culture,-providing the emotional content in the family. It is she who keeps

the family together, playing multiple roles as teacher, guardian, guide to her children, and helpmate, sexual partner to her husband, in addition to her functions as housekeeper and cook.' Thus, her leaving causes a void in the fabric of the family, a disruption in the family unit which in turn, has repercussions on society, giving rise to several social issues, both here and abroad. This also results in a reversal of roles within the family unit, from subservient partner to chief breadwinner and the normally twoparent family is now reduced to a oneparent family, which in the best of times, is a less than ideal arrangement.

Apart from the immediate problem of inadequate care arrangements, the migration of mothers has a detrimental effect on the personality development of the child. When bereft of his mother for a period of not less than two years during the formative period of his life, the child is more vulnerable to the influences of the outside world because the basic protection offered by her presence is lost. Dr Hemamali Perera stresses that it is therefore essential that the lines of communication between mother and child be unbroken: the child should be allowed to communicate with the mother, either by letter or telephone. This contact to a great extent, serves to mitigate the sense of isolation the child feels during the mother's absence. An extended family system often prevalent in Asian countries, is a fairly satisfactory, albeit temporary, substitute in such situations, which contributes to a great extent towards minimising these adverse effects of the mother's absence. The absence of the mother could cause feelings of isolation in the child, stemming from a lack of security, which could give rise to a range of emotional and behavioral disturbances like thumb sucking, rebellion, temper tantrums, complaints of non-existent physical ailments and anxiety states. The

LABOUR MIGRATION

child may also resurt to anti-social hehaviour like atcaling, alcoholism, smoking, homo-sexuality, drug addiction.

Several children of labour migrants end up in probate courts either because of the negligence of adults to whose care they were entrusted, which could be in the form of either ill-treatment of abandonment, or sexual abuse by a male member of the household or by somebody in the locality. It is usually a lack of foresight rather than callousness, which has resulted in the mother leaving her children in the care of irresponsible people.



There are also instances of mothers who have been compelled to leave lactation infants, for factor opportunities overseas. Due to their ignorance, coupled with the immediacy of the economic motive and the unsympathetic attitudes of employers and agents. The emotional shock and deprivation experienced by an infant in such a situation when compelled to replace the warmth of the mother with a bottle, could have serious consequences in his adult hile.

The difference herween the sexes is not merely a physical one. A wide abyse acparates them psychologically too. Motherhood is an inherent characteristic of the teminine psyche. The mother's fixeds is usually introspective, towards her family's welface, on which even her meager resources would be spent. She usually applies any additional income received for their betterment. But in the case of the male, he is more outward-

priented by nature, his focus being more towards the society at large, and any additional income received as oben applied in the pursuit of personal gratification, viz - alcohol abuse, weimanising, gratification.

In the event of the wife leaving for employment overseas, the male's role changes, from one of relatively light responsibility towards his family to one of being compelled to shoulder heavy responsibility, although this shift in responsibility is compensated by the petrodollars received from his wife. The woman's assumption of the precliminant role as breadwinner relegates the distribution insile to a subservient role of child raising and keeping house, duties formerly relegated to his wife. Many react to these changes by leaving regular jabs, purportedly to supervise the construction of the house which is, of course, being financed from the Middle East. Many men fail to cope with the situation of their wives' absence, and resort to activities detrimental to the family's well-being. There have been several instances where the wife has (clarified on completion of her period of coupleyment abroad in the expectation that her hard earned money has been used productively, only to discover to her dismay that it has been frittered away by an irresponsible husband or other family meinher. Or her hishand may have abardoned the children or may have taken another wife. Many are the harrowing tales told of women who have come back to depression and sainide and of men who have committed suicide when unable to cope with the ilemands of their new roles.

The reversal of roles in the family hierarchy. Iront dominance to dependance, very often prompts the male member to serve towards creating an atmosphere of sympathy towards bim in order to compensate for his new role by inveigling money from his wife which money he uses mainly for his personal pleasures.

By contrast, children have been observed as being more intuitive, realising that their mother left them for overseas employment in order that they, as a family, could better themselves economically.

Generally, in the conservative Sri Lankan culture, especially the lower consume strata in rural meas, make domination is exercised by violence and abuse of the female partner, which often leads to the neglect of the family. This again, prumpts the woman to choose the lesser of the exits, to choose between temperary disruption of the family find a better standard of living by escaping the vicious powerty bind.

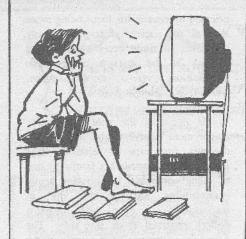
Other than their persistent desire to travel abroad, these women lacer little or reknowledge of the living conditions of foreign countries. Coupled with this tenurance is the frauma of adjusting to the restrictive culture of countries in, say the Galf. Being mainly unoducated, these warmen's only source of information is from peer groups which have returned from similar jobs. The resultant culture shock is therefore great. This, exampled with the emotional trauma of leaving their children and families belvind, aggravate the trauma and exacerbates their difficulties in adjusting to the different language, religion, clothes, food and cutture.

Their trauma is worsened by their unfamiliarity with the Arabic language, their igexperience with modern electrical kitchen and household equipment, their lack of knowledge of basic lausekeeping in a wealthy household. The uncertainties of home interfere with their work while oversens, resulting in low performance in their job. In many instances, they also suffer from lone hours of work exploitation, non-payment of salaries and even sexual harassment. Sexual harassment, although not present in every instance, in such instances as they are present, could lead to unwanted pregnancies and he detrimental to the victim's family life in the fimure. ' Due to the psychological trauma fineed by them, even the woman who decides to exploit the situation by earning money through (illegal) means should not be blamed,' says Paychologist Rushika Amarasekera. The situation is so complex that nobody can take a moral stand on the issue."

LA BOUR MIGRATION

Coupled with these traumas is the psychological adjustment that these women must make to accepting a lowly position as servant in a household. Although poor, many of these women would not have accepted similar positions in their own countries, by virtue of its poor social status. This latter factor is one of the most contributory towards not accepting similar employment in Sri Lanka, far outweighing salary considerations: at present, there is only a fairly narrow gap between salaries paid here and West Asia. A housemaid in Sri Lanka could now earn between Rs 2,000 and Rs 5,000 in Sri Lanka. On average, housemaids in the Gulf countries earn Rs 4,000 to Rs 5,000. It is a fact that Sri Lankans are the lowest paid Asians in the Gulf. Therefore, understandably, the experience of working overseas is not psychologically satisfactory to many women.

In 1995, the Airport Medical Centre, Katunayake, through which all indisposed migrants are referred to hospitals and family care, recorded 71 cases of insanity and depression in housemaids returning from the Gulf, as against just two men who had also been employed in that region. Of the 71 cases of insanity, 45 were married women and 26, unmarried women. The mortality rate of labour migrants in the Gulf region rose to 68 in 1995.



Some suggestions for improving the present situation:

- a) A register which records details of the families of all mothers leaving for labour migration should be maintained, and social welfare officers be appointed to provide assistance to their families and to monitor their conditions of living during the mother's absence.
- b) Remedial measure adopted by other countries should be studied and a system appropriate to Sri Lanka he adapted. For eg., in Pakistan, the Overseas Pakistan Foundation has been established to ensure the welfare of the migrants. Under the rules and regulations of this

Foundation, migrant workers are required to deposit a sum in a welfare fund when leaving the country. This sum is then spent on the education and social security of their families.

- C) Enact laws which ensure the safe return of migrants at the completion of their contract. This should also be activated in situations where migrants are stranded in foreign countries by fraudulent job agents who have extracted money from them but failed to provide them with jobs.
- d) Enforce minimum wage rates for specific job categories in the different countries and equalize the salaries offered by the diverse agencies.
- e) Establish a forum for labour supplying countries which will enable them to stipulate uniformity of wages and better welfare facilities.
- f) Create an awareness among the women regarding conditions and hazards in their countries of employment
- g) Provide training to housemaids, on the use of electric equipment, a knowledge of the Arabic language and the Islamic culture etc. Although this is being carried out to some extent, it is still inadequate to meet the demand.

Counselling Services as a solution

These unskilled labour migrants are drawn from all over Sri Lanka. The problem therefore is spatially widespread. Further, those facing the "family-life" problem belong to different ethnic and religious groups. The complexity of the problem is now apparent, Before problems are aggravated further, it is best if counselling can be given to the homes of the affected families. Awareness creation of the availability of such counselling services may need high priority. Mass media can be effectively used for this purpose. Considering the contribution these migrants make to our economy, their services should perhaps be given free of charge to needy families. Awareness creation alone may not be sufficient to bring together the service provider and the beneficiary:

some kind of persuasion may also be necessary.

In order to provide the proposed counselling service, the government may be able to draw personnel from within the infrastructure facilities already in place throughout Sri Lanka. Such persons include the field officers of the department of social services, officers of the department of labour, heads of educational institutions, religious dignitaries and volunteer social workers. Drawing suitable individuals from these existing institutions, the government should attempt to organise committees at the grass-root level. These committee members may then be given a training in family life counselling which must coincide with an intensive publicity campaign in order to make the migrant aware of the new counselling service and also to encourage families to use this service. These counsellors could act as mentors.

Such mentors may be assigned to a single family or a group of families. One may have to take note of the fact that the implementation of any new programmes of action or an idea is bound to face resistance and run into problems initially. However, considering the gravity of the "family-life" problem of these migrants and the negative impact it is found to have in society, it seems worth the attempt.

About the Writer

Dr Chandra Attanayake is a senior lecturer at the Department of Geography, University of Sri Jayewardenapura. Her specialty is in the areas of geography, demography and statistics. She conducted lectures in migration and statistics at the DTRU (Demographic Training and Research Unit). Dr Attanayake obtained her postgraduate qualifications from the University of Wisconsin.

- A B O U R M I G R A T I O N

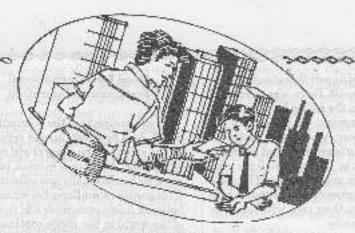
trustural reforms and adjustinent medsures are curreally in place in most of the developing countries. In many cases, the results have also began to show in the form of a substantial improvement in their overull economic situation. However, what ix often forgotten is that sustainable world growth can never be achieved in imilation. In fact, the prospects of a strong global economic outlook cracialty hinges upon a commitment to featur international economic moneration. This is critical, not only for those decel oping economius which are in transition and want to move on to the next stage of development, but also for the developed reations which want to come out of the protracted phase of sluggish growth and continuing recession.

In this context, South-South Co-oneration has made considerable progress. following the Programme of Action. adopted by the High-level Conference on Economic Co-operation among developing countries held in Caraças in May 1981. In more recent years, coopuration has taken a rich character, responding to the developments in the world economy and the policy evolutions in industrialized constries. Developing countries have viewed the imperation need for the expansion of trade among themselves without assuming on inward orientation. The setting up of SAARC by South-Asian economies is, far instance, a step towards promoting trade expansion in the region.

Prospects for Cooperation in South Asia

The countries of South Asia comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka and Myanmar may aptly be described as economies in transition, transition from administered regimes to regimes where market orientations predominate. As is inevitable, the adoption of a market-friendly approach would reflect in the areas of trade and investment.

The reforms implied in the transition are fortunately facilitated by the fact that the economic performance of South Asia was robust in 1992. The South Asian reanomics experienced a smort recovery in economic growth with



TRADE AND INVESTMENT PROSPECTS IN SOUTH ASIA

Dr. D. R. Mehta

4.7 per cent in 1992, from 2.1 per cent in the previous year. This looks all the more impressive in the context of the low rate of growth in world output in 1992, placed at 1.7 per cent. Economic growth is expected to gather further momentum, with the economies of South Asia projected to grow by 5.3 per cent in 1993 and 6.0 per cent in 1994, as shown by the Asian Development Bank's annual document, the Asian Development Outlook, 1993.

Trude and Investment Outlook for South Asia

The South Asian economies have embarked on economic reforms programmes, a major component of which is trade policy reform. The liberalised trade regime is sought to be achieved through relaxation of quantitative restrictions and a thorough rationalisation of the tariff structure. The virtual elimination of quantitative in conjunction with the retionalisation of the tariff structure is expected to generate

additional trade-opportunities, improve allocative efficiency and raise growth rates in the countries of the region. An important condition for success of trade reforms is that they need to be complemented by an array of measures in a wide spectrum of areas cachangerate, industry, banking and finance, fiscal policy, and labour and technology.

Responding favourably to the liberalized trade and foreign exchange regimes, the aggregate expects of South Asian exmomies in dellar terms, grew by 6.8 per cent in 1991. Expects of South Asian economies are projected to grow by 10 per cent in 1998 and 16.1 per cent in 1994.

Expert growth cannot take place perpetually if overall growth rates are weak. The theoretical proposition that imports would have to rise if growth rates should increase and be austrined holds good for South Asian economics as well. Keeping this analytical point in view, some South Asian economics



have adopted import liberalisation policies. As a result, there was a rebound in imports in the region by 7.1 per cent in 1992 as against 6.6 per cent in the preceding year. According to ADB estimates, imports are projected to rise by 8.0 per cent in 1993 and 10.9 per cent in 1994. This augurs well and leaves a distinct impression that exports cannot stand on their own without some import intensity.

The South Asian countries have been increasingly aiming at promoting intraregional trade, not only to raise their own economic standards but also to counter the challenge thrown by the emergence of trading blocs in other regions. In this regard, it is well known that the East Asian countries have been more successful than those in South Asia. This is so inspite of the setting up of the South Asian Association for Regional Cooperation (SAARC) in 1985 to promote the flow of intraregional trade. Excepting Maldives and Myanmar (and for Nepal during 1985 to 1988), the shares of intra-region exports of other South Asian countries to their total exports have been in the range of 2 to 6 per cent in recent years. India's exports to the region accounted for about 3 per cent of her total exports during the period. Barring India. Myanmar and Pakistan, the share of intra-region imports of other South Asian countries to their total imports were relatively high. The shares of Nepal and Maldives were generally more than 10 per cent in most years between 1985 and 1992. India has enjoyed a positive trade balance with Bangladesh, Maldives, Nepal and Sri Lanka. Januard on a sale mail filled a sate

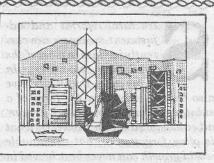


Need for International Economic Cooperation

Trade prospects of the economies of South Asia however, hinges critically on the extent of the generalised recovery in the developed market economies, both individually and collectively. If the growth rate differential witnessed between Asian economies and the rest of the world in the 1980s continues to exist, the Asian economies are expected to emerge as the world's largest market with purchasing power exceeding that of North-America and Western Europe. In the emerging economic milieu, India for instance, with its growing economy, has the potential of providing a large market for the NIEs and Japan. The perceptible increase in intra-South Asian trade is thus within the realm of possibility.

The successful conclusion of the Uruguay Round has brightened the prospects of further integration of the economies of South Asia with the global trading system. With the gradual elimination of tariff and non-tariff barriers, these economies would be much more competitive. This assumes crucial significance as the existence of high trade barriers have inhibited the growth of intra-South Asian trade. Gradual phasing out of the Multi-Fibre Arrangements (MFA) would also improve the prospects of textile exports to North America and Western Europe, as these economies have got the comparative advantage in textiles.

The emergence of powerful trading blocs, especially the Single European market and the North American Free Trade Agreement (NAFTA) in recent years, has assumed significance beyond what one could perceive. It is widely acknowledged that there are both opportunities and threats for Asian exports implied in such an impact. Significant benefits would emanate from the enlargement of markets resulting from regional integration. Restructuring of industries within the trading blocs also offers opportunities to Asian economies, whose exports are being eased out because of the lack of competitiveness. On the negative side, regional integration may result in increased protection through non-tariff barriers with a view to overcoming the



painful nature of the adjustment process for firms within the trading blocs emanating primarily from greater competitive impulses generated by integration policies.

Foreign Direct Investment as a catalyst

In developing countries which have natural resources but not the capital or marketing and/or management skills, FDI can indeed work as a catalyst. As FDI is more often accompanied by the transfer of current/state-of-theart technology, marketing systems, etc., its flow is generally found to be concentrated in manufacturing and in economies within the comparatively large manufacturing sector. Since the 1980s, there has been a change in the attitude of the South Asian countries towards foreign direct investment, with most of those economies welcoming the inflow of foreign investment and technology.

Among the NIEs, Singapore has been the most active in encouraging foreign equity participation fairly early in her development process, to promote and develop the manufacturing sector because of the paucity of domestic entrepreneurship. FDI in Malaysia, Thailand and China has also been high, ranging between US \$ 1 bn and US \$ 2bn in recent times. In contrast. the South Asian countries lagged behind in attracting foreign investment, largely because of their inward-looking trade policies. However, due to recent shifts in policies in South Asian countries, FDI inflows have augmented, recording a quantum jump from US \$ 345m in 1986 to US \$ 556 million in 1991.

While the academic debate regarding the welfare effects of FDI would be inconclusive as before, there is, robust empirical evidence to support the view that foreign private investment has

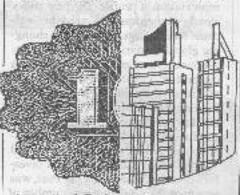
contributed to the growth of several new industrialising countries, vix. Thuiland, Malaysin and Singapore. There is also a consensus view that FDI could be harmful to the recipient country if the country is highly protected and PDI is put through behind high tariff walls. What is needed is direct foreign investment, very transparent and professionalists, and not of the furiff-jumping variety. Now that the Uruguay Round has come to arrend with trade-related investment measures (TRIMS) built into it, the prospacts for flows of foreign investment into South Asian countries appear brighter than over before.

India's Economic Readjustment

I would now like to take this appartunity to mention about India's experience with economic readjustment perlicularly in respect of trade reform and non-debt creating foreign tovestment policy. Considerable progress has been achieved in the stabilisation efforts and structural adjustments undertaken ever the last 2 1/2 years. The risform programme sima as improving the economic officiency and performance of the system. A market orientation is being provided and business and industry are being compelled to become competitive and modern. The financial sector is being strongthened and restructured so as to umvide ndequate support to the growth efforts in the industrial, trade and agricultural acctors, there is what a consciousness that the economy Ludsy needs to be exposed to enhanced competition. The changes in the import expert policy have been combined with hold adjustments in the exchange rate system so as to stimulate exports and improve India's external competitiveness. Foreign investment, both direct and portfolio has also come to occupy an important role in this task.

Until recently, India a trade policy was guided by an import substitution strategy. While this served well at a particular point of time, it brought to the fore the inherent limitations of an inward-oriented import substituting trade regime. In July 1991, the Government initiated broad ranging trade reforms in order to provide a strategic outward orientation to India's informational eponomic policies.

The reforms relate mainly to (i) elemination of public sector condisption of imports (ii) reduction of high nominal tariffs, and fifth removal of quantitative restrictions on imports and experts. Significant adjustments were also corried out in the exchange rate of the Indian rupes. The ruped was adjusted downwards in two stages by 18-19 per cent, in July 1991. Simultaneously, a new instrument called the EXIM scrip was introduced linking imports with exports. Subsequently, the EXIM scrip was abulished and the



Interelised Exchange flate Management System (LERMS) or dual exchange rate systems for was introduced effective Murch 1, 1992. A quick and a smooth switch over took place next year, to the unified exchange rate. Today, the exchange rate of the rupee is determined by market forces of demand and supply.

The EXIM policy of 1992, covers the five year period upon 1997, it has considerably climinated licensing, quantitative restrictions and other regulatory and discretionary controls. Exports and imports are now allowed friedly subject only to negative lists which have been further narrowed down. The list of canalised items, imperiod or expanded through public secfor agencies has been drastically reduced. The restricted items of imports are mainly consumer goods, which require licenses. The thrust of the modified EXIM pulicy is on enhancing export capabilities of agriculture and service sectors. In general, the tariff regime has become less oncrous. The maximum customs tariff rate on goods other than capital goods which was reduced from 150 per cent to 110 per cent in the Budget for 1992-93, was further brought down in 85 per cent in the 1993-94 Budget, except for a few items including passenger bagasanand

nicoholic beverages. Capital goods imports have been subjected to a relatively low customs duly averaging 36 per cent of the invoice value in the 1993-94 Budget. Towever, with a maximum duty rate of 55 per cent, India's rustom duty structure etill remains very high. Several developing conntries have in rusent times reduced the level of the duty rates for most items, except consumer goods to between 10 to 20 per cent.

The Government has sheady broadly indicated the future tariff reform agenda which includes (a) liberutiantion of duties and import restrictions on consumer items, except those disultawed for health environmental and other reasons. However, given the Coverament's commitment to bring about a substantial reduction in the overall fiscal deficit, over the medium term, it will perhaps be necessary to ensure that tariff level to sround 25 percent with maximum rates at amound 50 per cent, and (c) doing away with end-use apreific exemptions, excepting inputs used for export products.

India's trade deficit during the first nine months of the current year has narrowed down to US\$ 741 m as compared with US \$ 3.555 m last year. Same improvement in the invisible account is also expected as cornings from tourism revise and inward remit-Liners increase in response to the exchangerate. Thus, the current account. deficit during 1993-94 is expected to be considerably lower than in 1992-93. reflecting mainly the improvement in the unide account. In US dollar terms, exports at US \$ 15,682 m man sharply by 19.9 per cent during April December 1993. This was against a medest increase of 3.4 per cent during the same period of the provious year. Iniports, declined by 1.8 per cent to DS 8 16,413 m, contrasting with a rise of 16.5 per cent during the comparable period of last year. Over the medium kerm, expert growth of the order of 15

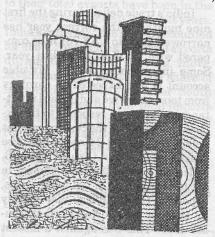


per cent per annum however is necessary, to ensure a continuing narrowing down of the trade deficit. The external financing requirement on current account alone can thus be expected to decline. Further, as the fundamentals of the Indian economy improve and the level of foreign exchange reserves remain at a reasonable level, it should also be possible for India to return to the international commercial markets.

Foreign Investment Policy in India

India, while continuing to make all efforts to contain current account deficits at levels that can be financed or sustained by normal capital flows, has also begun to focus on the extent to which financing of the deficit can be met by non-debt creating flows in the form of direct foreign investment. Thus far, non-debt creating flows had played only a minimal role.

Direct foreign investment plays even now an important role as far as developed countries are concerned. In fact,



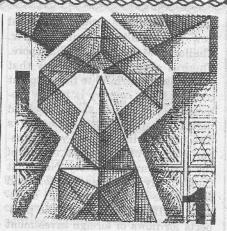
bulk of the global foreign investment occurs within the developed countries. Out of an estimated current annual flow of US\$ 170.2 bn including reinvested earning in 1991, approximately US\$ 105.7 bn was within the developed countries. Developing countries in Asia, Africa and Latin America accounted for US\$ 34.0 bn or 20.0 per cent of the total. Even within these country-groups, foreign direct investment has played only a minor role in the total capital flows, even though there has been some improvement in the more recent period.

In tune with the other changes in economic policy all of which are aimed at introducing an element of competition in the system and imparting thereby greater efficiency, the July 1991 statement on India's Industrial Policy ushered in some significant changes in the policy towards foreign investment. Even in the past the policy was non-discriminatory. Once the investment was permitted, there was no discrimination between local firms and the foreign firms in the same sector. No restrictions were imposed on the repatriation of profits. The new policy clearly recognises the need to 'welcome' foreign investment in the changing global scenario. Direct foreign investment is now 'promoted' rather than 'permitted'. The statement also speaks of the need to establish a more 'dynamic relationship between domestic and foreign industry'. The long-standing demand that the normally permissible limit of 40 per cent of the total equity in a company by foreign investors must be raised to 51 per cent, was accepted. In a fairly large number of industries, foreign investment was also reflected in the constitution of the Foreign Investment Promotion Board to. scrutinise applications and take initiatives to attract and negotiate with international firms and approve direct foreign investment in select areas.

Recent Trends

The change in stance towards foreign direct investment is fully reflected in the speed with which approvals have been given since the launch of the new policy in 1991. Total approvals for foreign direct investment, including equity investment by NRIs constituting US\$ 5,417.88 m, have been granted between August 1991 and January 1994. Against this there has been an inflow of US\$ 953.31 m, It is interesting to note that the majority of foreign investment approvals have been in the core sectors of power, fuels, oil refineries, food processing, chemicals and electrical equipments.

The inflow of foreign investment though showing a rising trend, has been modest. The reported inflow of foreign direct investment, including NRI investment, which was US\$ 154.5 m in 1991, rose to US\$ 231.24 m in 1992. During 1993, an inflow of US\$

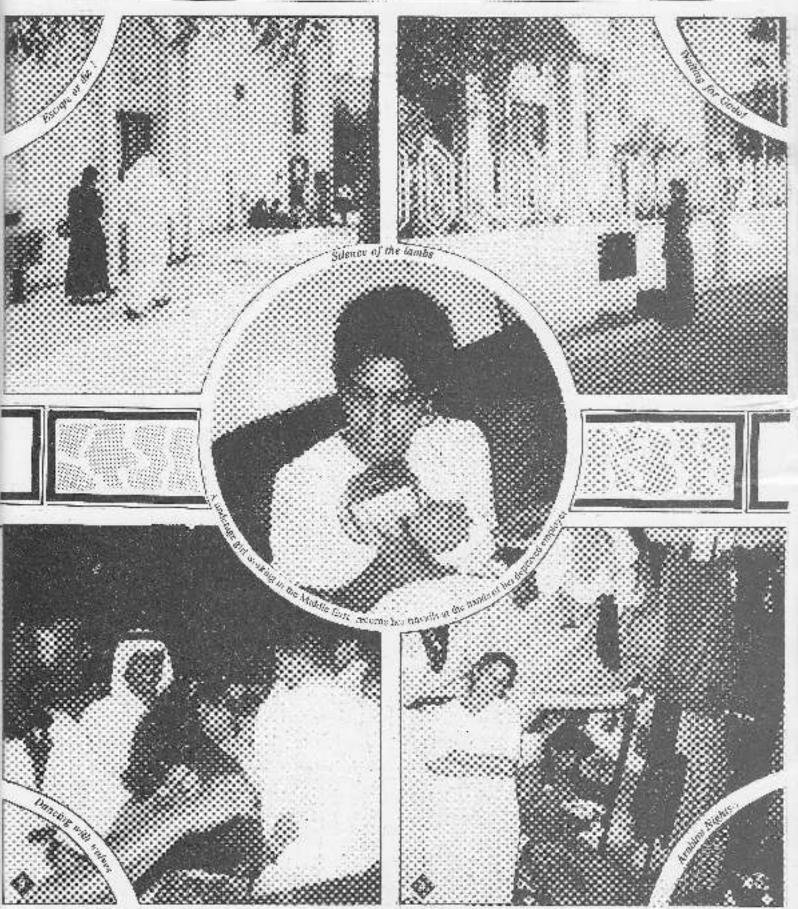


567.53 m has come in. Looking at the actual inflows under RBI's automatic scheme, the bulk of it has come into six major industries: electrical equipment/ electronics; chemicals; food processing; transportation; industrial machinery and industrial instruments. The sector-wise analysis of actual inflows of foreign investment under various Government approvals, shows that the major recipients of foreign direct investment flows were: chemicals/pharmaceuticals, followed by engineering, food-processing, electrical equipment/ electronics and transport. Countrywise classification based on the total approvals granted reveals that the United States continues to lead, followed by Switzerland, U.K., Germany, France and Japan.

Foreign capital inflows have also occurred through the access allowed to reputed foreign institutional investors (FIIs) from January 1993. 138 FIIs have been permitted to operate in the Indian Stock Markets so far. Up to February 1994, around US \$ 1.25 bn had come in for portfolio investment through these FIIs. Another recent trend has been the success Indian corporates have had in accessing euro markets. 20 Indian firms have launched GDR/FCCB issues and collected US \$ 2.78 bn. Of this, US \$ 1.11 bn has been repatriated to India.

About the Writer

The above paper was presented by Dr. Mehto, Deputy Governor, Reserve Bank of India at the conference on South-South Cooperation in the Asia Pacific Region sponsored by Colombo Plan, Sri Lanka, and the OECD Development Centre, Paris.



- A livestanted who has cought not q_{polic} . In Sti Lensan confesses, from her coupleyer's to assument, as hong residence by the employer 2. A housemaid fleebig from the humanum of her employer, waits at down for the Sri Lankon Embarry to open 3. The five life style of some Sti Lenkap women have be highly ago by Naplabath Foundational than 10 too remain counterparts 4. Sri Lankon factory workers intog in another conditions to the human again and another than 100 and 100 an

ECONOMIC REVIEW

The **Economic Review** in its twenty years of publication has provided a forum for discussion on contemporary development and international issues, and has recently produced several issues covering important topics:

- Human Resources
 Development
- ☐ Economy of Sri Lanka
- ☐ Private Tuition
- ☐ Foreign Investment
- ☐ Tourism & the Economy
- ☐ Irrigation Management
- ☐ Share Market
- Population & Sustainable Development
- ☐ Commercial Banking
- ☐ Budget & Economic Policy
- ☐ Labour, Employment & Migration

The **Economic Review** is available in all leading bookshops and People's Bank branches island-wide

Price per copy: Rs. 20/=, Annual Subscription (Local): Rs. 240/=

Foreign Subscription:

South Asia - US\$ 24, South East Asia & Africa - US\$27

Japan - US\$ 30, Rest of the World US\$ 33

Cheques/Money Orders should be drawn in favour of People's Bank - Economic Review and forwarded to

Director of Research, Research Department, People's Bank, Head Office, Colombo 2.

Phone: 436940, 327082

Economic Review - A Community Service Project of the People's Bank

The Contents of Economic Review may be quoted or reproduced with due acknowledgement.