

Sri Lanka Labour Migration Policy needs to look inward Domestic labour force shrinks, migration increases -IPSstudy

By Devan Daniel

A recent study of the Institute of Policy (IPS) says Sri Lanka needs to pay more attention to its domestic labour market, a component left out in the Labour Migration Policy of Sri Lanka introduced last February.

The policy was formulated in an attempt to promote skilled and safe labour migration and to balance the development benefits of labour migration brought about by remittances and protecting migrant worker rights and their families from adverse social impacts.

But the study says that promoting labour migration, especially skilled labour, should be carried out with caution given that the Sri Lankan labour force has begun to shrink.

"Brain drain is a problem for Sri Lanka in some sectors. About 30 percent of our doctors are employed in developed countries (OECD countries). Nurses amount to 8.1 percent. The emigration rate of tertiary educated Sri Lankans is quite high. The country is placed 20th out of 103 countries for which data is available," said Nisha Arunatilake, IPS Research Fellow, addressing a regional conference on Migration, Remittances and Development Nexus in South Asia.

Dr. Arunatilake showed that while the stock of Sri Lankan migrant workforce increased by 195,000 in 2006 and 2007 the domestic labour force shrunk by 110,000 during the same period. (In 2007, the stock of Sri Lankan workers abroad amounted to about 1.6 million which is 22 percent of the domestic workforce.)

"The Labour Migration Policy has nothing on the domestic labour market and this is something that they will have to do as Sri Lanka is going through demographic changes," she said.

Dr. Arunatilake also pointed that having two separate ministries, the Ministry of Labour Relations and Manpower and the Ministry of Foreign Employment Promotion and Welfare, will make coordination difficult.

Bad numbers...

Dr. Arunatilake said however, that she was not suggesting that the labour force was shrinking as a direct result of migration but was what the available data implied.

She co-authored the study with Priyanka Jayawardena and Dushni Weerakoon of the IPS.

Raja Korale, Former Director General of the Department of Census and Statistics said the study was probably the first where econometric models had been used.

But he criticized the unavailability of adequate and reliable data and statistics which could have been used for the study.

"Migration is an important issue, and Sri Lanka will have to revolutionize the way in which data is collected and processed," Korale said.

Other participants at the conference said it was a problem faced in other South Asian countries as well where official statistical data used by economists are inconclusive or flawed. Few countries have reliable data on the number of migrant workers.

Dr. Arunatilake said about 5 to 10 percent of those who register with the Foreign Employment Bureau do not leave the country while 30 to 40 percent of migrant workers do not register with the bureau.

The system also lacks methods in which to capture data on unregistered migrants illegally entering other countries while remittances off official legal channels are a dark area as well.

Biggest forex earner...

Remittances account for higher foreign exchange inflows into Sri Lanka than Foreign Direct Investments and Official Development Assistance. In 2008, remittances amounted to about US\$ 3 billion, 8 percent of GDP.

Apparels is said to be the highest export earner but according to Dr. Saman Kelegama the net earning from apparel exports amounts to about 45 percent as this is the value added component with the bulk of the inputs being imported.

"On a net income basis, remittances account for the highest foreign exchange earnings for Sri Lanka," Dr. Kelegama said.

Given Sri Lanka's persistent trade deficit worker remittances has a stabilizing affect in terms of buoying the country's Balance of Payments.

The IPS study based an available official data shows that in the mid '80s the gross annual outflow of migrant workers was about 20,000. At present it is about 200,000.

About 80 percent of the migrants are unskilled and 62 percent of them are female workers. It is estimated that about 1.8 million Sri Lankans are working overseas.

"A quarter of these migrant workers are from the Western Province. 90 percent of our migrant workers are in the Middle East," Dr. Arunatilake said.

She said the national migrant labour policy was important as it would look at improving skills while ensuring safe and equitable treatment in the hands of foreign employers.

Domestic issues...

"Sri Lanka's unemployment is steadily declining since the '90s and part of this can be attributed to foreign employment," she said.

The IPS study says that households with migrant workers tended to earn more.

"This is not just because of the remittances but because these households have shown an improvement in their earnings from financial and physical assets. Interestingly, these households have shown that they have a wider source of income with a wider spread of financial investments," she said.

The study highlighted that education and health did not show significant improvements as a result of the absence of a parent, the ever present social implications of labour migration.

SAARC...

South Asian economists agree that migration has great benefits.

"Remittances are a great source of support for balance of payments in South Asian countries (very much so in Sri Lanka) Skilled wages are normally higher abroad and more benefits can be achieved with higher skills," Dr. Kelegama said.

He is of the view that the knowledge and skills gained from destination countries, brain gain, could be used to offset the brain drain.

This is a crucial benefit that must be tapped, apart from the balance of payments stabilization and increase to household income brought about by remittances.

However, the global economic crisis is threatening South Asian migrant labour. Also there are various issues with regard to migrant worker rights one delegate at the conference called "horror stories" that need the attention of governments.

Dr. Kelegama asked, "Regionally is there anything we can do?"

Economists and technocrats have for a long time suggested that SAARC work together to look into the rights of their migrant workers, together lobby with major destinations for a fair, equitable and safe environment for their workers.

The South Asia Commission for Migration was launched at the conference to jointly push for an official regional policy on migration.