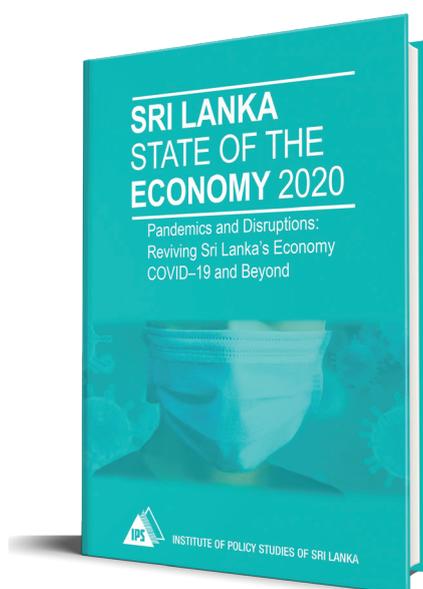




INTERNATIONAL MOBILITY BEYOND COVID-19

From the IPS flagship publication 'Sri Lanka: State of the Economy 2020'



The rapid spread of the coronavirus (COVID-19) pandemic globally is partly a symptom of a highly integrated and interconnected world in an era of globalisation. Sri Lanka too is highly connected to various channels of international mobility such as movements across borders of tourists and migrant workers. As such, it is rational to argue that the contagion of the Sri Lankan population to COVID-19 escalated owing to the influx of returning migrant workers.

During the early stage of the pandemic, preparations to handle the influx of returnees was not optimal; some were sent to quarantine centres, some were requested to self/home quarantine, while others were allowed to join their communities without precautions. As a result, many reactive measures were needed to identify returning migrants and direct them to quarantine centres, including registration. Nevertheless, repatriation of Sri Lankan

took place in a more optimal manner, despite the criticism of delays in repatriating migrant workers. Amongst the many migrant workers awaiting repatriation, large numbers were without employment as a result of being laid off. There were others who had completed their employment contracts and were aiming to return anyway. Additionally, two types of migrants holding jobs also sought to return – i.e. those still holding a job but are underemployed or fear becoming unemployed in the near future, and those risking their secure job to safeguard themselves from the swiftly spreading pandemic.

Migrant Workers and COVID-19

Prior to the onset of COVID-19, a high concentration of Sri Lankan labour migrants in the Middle-East, the prominence of lower skilled workers and females among those departing, and departures outside the purview of the SLBFE or licensed recruitment agents had created a series of vulnerability issues in terms of limited assimilation, rights and protection. The spread of COVID-19 is triggering a series of implications for Sri Lankan migrant workers and the Sri Lankan economy. Vulnerabilities related to rights and protection of migrant workers are gaining global attention in the COVID-19 era. Sri Lanka's experience is no exception.

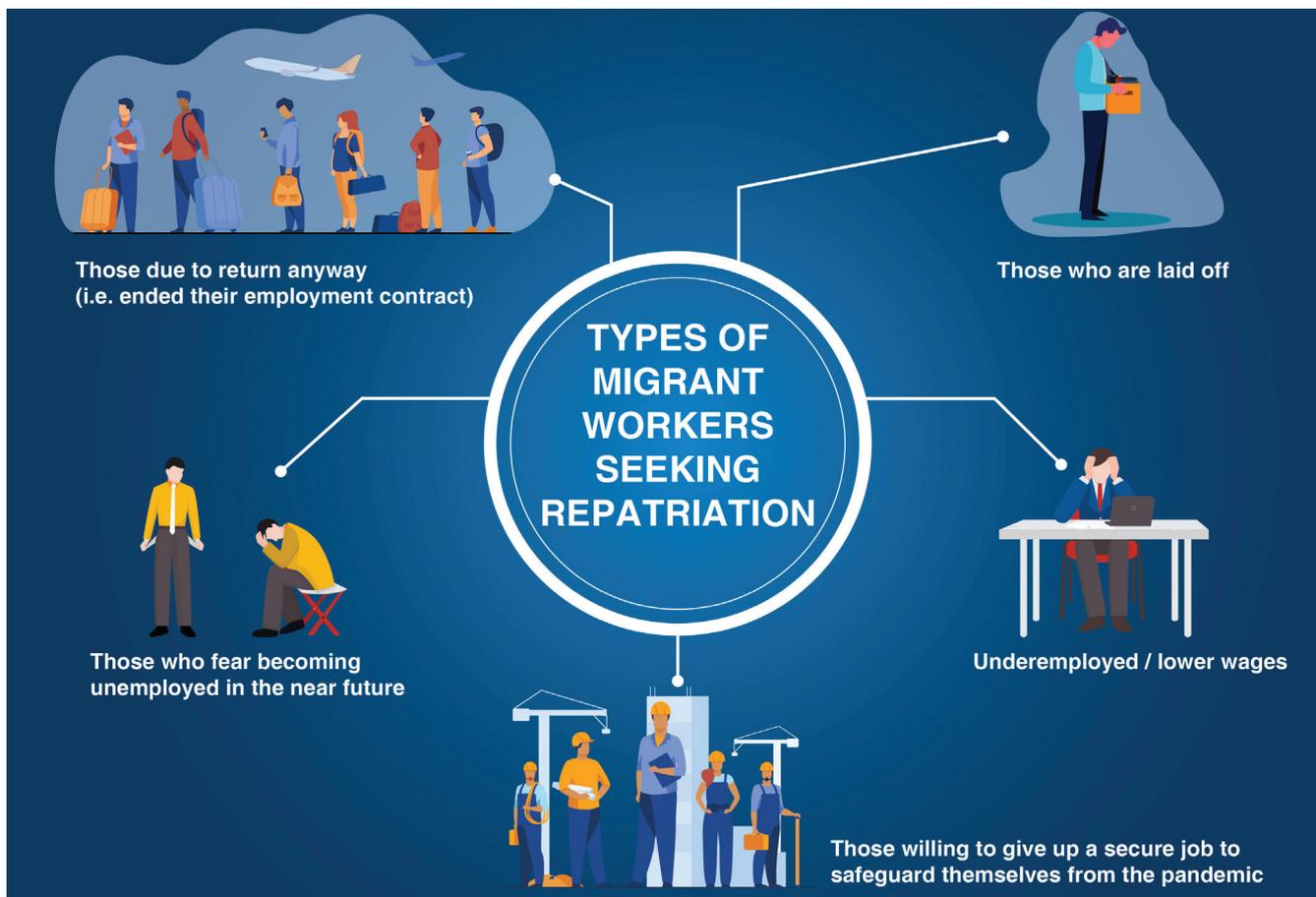
A rapid online survey of Sri Lankan migrant workers in the Middle East and Western countries conducted in April 2020 indicate that many had already experienced wage cuts and termination of jobs, while others were expecting similar outcomes in the future. Other issues included non-payment of wages, loss of

benefits, etc. Overall, migrant workers in Western countries appeared more secure than those in the Middle East.

In terms of health implications, there are fears about access to health care, especially amongst low-skilled workers due to their employment packages, income levels, education level as well as housing conditions. The latter include cramped accommodation with limited facilities in terms of water and sanitation, making them vulnerable to the contagious nature of COVID-19. Disparities in testing and treatment were also evident among locals and migrants, despite the availability of free testing and treatment. For unauthorised/undocumented migrant workers, access to health care is even more challenging. Many tend to be employed in informal or under-regulated sectors, with few rights and benefits, and their informal employers are unlikely to provide them with protection.

Lost Opportunities and Decline in Remittances

COVID-19 is leading to many potential migrant workers being unable to travel overseas, and barring those who have already secured employment from taking up their jobs. Specifically, compared to the approximately 30,000 Sri Lankans who left for foreign employment in April and May 2019, there were zero departures of migrant workers through the SLBFE in April and May 2020. As such, from mid-March to end of May 2020, the missed opportunities in Sri Lankan migrant workers are estimated at around 37,500 jobs. These migrant workers who missed their foreign employment opportunities add to the dis-



placement in the Sri Lankan labour market. In addition to potential migrants, the examination of the supply/value chain of recruitment for foreign employment shows that the decline in foreign employment also affects the recruitment agents, both formal and informal, and their approximately 150,000 direct and indirect employees. Reflecting these trends, remittance inflows too are seeing a sharp contraction. In March 2020 – traditionally a high remittance month ahead of new year celebrations – there was a -14% reduction year-on-year, mainly due to the inability of migrants to remit as lockdowns and curfews were imposed in their COD. Specifically, even among skilled migrants in the Middle East, 73% were in the habit of physically visiting a remittance service provider to remit. As relatively more skilled migrants are more likely to use online methods, this indicates that among the lower skilled migrants the popularity of ‘brick and mortar’ methods would be even higher.

Accessibility to remittance service providers was not met in Sri Lanka, nor overseas. For instance, remittance service providers were not classified as essential services during the period of lockdown in the COD of migrant workers. By end April 2020, in addition to difficulties in remitting

in the COD, migrant workers were experiencing layoffs and wage cuts contributing to lower remittances. All these factors – together with reduced numbers leaving to take up employment – has seen remittances contract by -12% up to May 2020 year-on-year.

Future of Labour Migration

The medium-term and long-term implications of COVID-19 on Sri Lankan migrant workers and their families are closely tied to the projected economic conditions of the major migrant receiving countries. As in other parts of the world, GCC countries are expected to see sharp contractions in growth, especially as international oil prices plummet. Even non-oil activities are expected to be a major drag on the near-term outlook. As such, given that these are the same sectors that Sri Lankan migrant workers rely on heavily for jobs, any recovery any employment prospects will be long drawn.

Nevertheless, many of the key economies such as Kuwait, Qatar, Saudi Arabia, and UAE, have sufficient fiscal buffers and policy space to combat the pandemic successfully. Temporary stimulus measures, such as increased infrastructure spending

to prop aggregate demand wherever possible, can stimulate demand for migrant workers.

At the aggregate level, Kuwait is projected to be the least affected and could be the starting point for Sri Lanka. In the longer run, however, the many issues faced by migrant workers and their families that have been spotlighted by COVID-19 needs policy attention. If not addressed, the same issues will resurge and continue to affect migrant workers in general, and more so during another pandemic or similar shock.

This Policy Insight is based on the comprehensive chapter on “International Mobility Beyond Covid-19” in the ‘Sri Lanka: State of the Economy 2020’ report - the flagship publication of the Institute of Policy Studies of Sri Lanka (IPS). The complete report can be purchased from the Publications Unit of the IPS.



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