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20

Cost of Low-Skilled Migration to Saudi Arabia, South Korea and Malaysia: Value Chain Analysis - Sri Lanka

BILESHA WEERARATNE, JANAKA WIJAYASIRI AND SUWENDRANI JAYARATNE

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Acronyms and Abbreviations

ALFEA	- Association of Licensed Foreign Employment Agencies
CBSL	- Central Bank of Sri Lanka
CID	- Criminal Investigation Division
DO	- Development Officer
EPS	- Employment Permit System
FBR	- Family Background Report
FDW	- Female Domestic Worker
FES	- Friedrich Ebert Stiftung
FGDs	- Focus Group Discussions
FWPC	- Foreign Workforce Policy Committee
GCC	- Gulf Cooperation Council
GDP	- Gross Domestic Product
GIZ	- <i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
GS	- <i>Grama Sevaka</i>
GVC	- Global Value Chain
HRD	- A public recruitment agency within the Ministry of Employment and Labour in Korea
HRW	- Human Rights Watch
ILO	- International Labour Organization
IPS	- Institute of Policy Studies of Sri Lanka
KDN	- <i>Kementerian Dalam Negeri</i>
KIIs	- Key Informant Interviews
KNOMAD	- Global Knowledge Partnership on Migration and Development
KOR	- South Korea
KRW	- South Korean Won
LKA	- Sri Lanka
LKR	- Sri Lankan Rupee
MAS	- Malaysia
ME	- Middle East

MFE	-	Ministry of Foreign Employment
MFEPW	-	Ministry of Foreign Employment Promotion and Welfare
MOEL	-	Ministry of Employment and Labour
NRFC	-	Non-Resident Foreign Currency
NVQs	-	National Vocational Qualifications
RM	-	Malaysian Ringgit
SAR	-	Saudi Arabia Riyal
SAU	-	Saudi Arabia
SLBFE	-	Sri Lanka Bureau of Foreign Employment
TOPIK	-	Korean language proficiency test
TWG	-	Thematic Working Group
USD	-	United States Dollar
VC	-	Value Chain

End of Period Exchange Rates - 2015

1 USD	=	144.06 LKR
1 RM	=	33.51 LKR
1 SAR	=	38.39 LKR
1 KRW	=	0.12 LKR

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Executive Summary

High-cost of securing employment abroad is a barrier to cross-border labour mobility for low-skilled workers in developing countries. Migration cost is distributed among many stakeholders in the migration value chain (VC). This paper utilises VC framework to conceptualise the migration process and cost for low-skilled workers from Sri Lanka (LKA) to Saudi Arabia (SAU), South Korea (KOR), and Malaysia (MAS). The study adopts a qualitative methodology and collects data through 23 Key Informant Interviews (KIIs) and three Focus Group Discussions (FGDs) in Sri Lanka.

By mapping the VC to SAU, the study identifies employers, recruitment agents in SAU and LKA, Sri Lanka Bureau of Foreign Employment (SLBFE), sub-agents, and migrants as the key players, while Saudi Arabian Embassy in LKA, Sri Lankan Embassy in SAU, financial institutions, medical centers, *Grama Sevaka* (GS*) officers, District Officers (DOs) and migrants' family are other players. The analysis of the VC finds that migration to SAU is a private-to-private recruitment arrangement, and the total cost of approximately USD 4,750 (LKR 500,000) is financed by the employer in SAU and the migrants do not bear any upfront cost. This cost consists of incentives to migrant's family, commissions to agents and sub-agents, administrative and regulatory fees to the SLBFE, and cost of fulfilling the documentary requirements/amassing credentials. When lump sum payments to migrant's family and sub-agent are excluded, the subtotal is USD 902 (LKR 129,882), out of which 47% goes as payments to the SLBFE. The contract period of a housemaid in SAU is generally two years, and they receive a monthly salary of about USD 243 (SAR 1,000).

In the SAU VC, when involved, the most powerful player is the sub-agent, who is an informal entity operating at the grass root level to mediate between the licensed agent and the prospective migrant in LKA. The sub-agent also assists the potential migrant to navigate the migration process. The bargaining power of sub-agents allows them to shop around different agencies and demand higher commissions for his services, while they are also criticised for engaging in malpractices leading to exploitative and abusive situations of migrants.

Under the Employment Permit System (EPS), the government-to-government labour migration arrangement between LKA and KOR is a relatively streamlined process with fewer key players, namely, HRD (a public recruitment agency within the Ministry of Employment and Labour (MOEL) which supports foreign workforce employment under the EPS system), SLBFE, and migrants. Other players include immigration authorities in the two countries, Korean Embassy in LKA, financial institutions, medical centers, language training instructors, Criminal Investigation Division (CID), lawyers, and migrant's family. The more streamlined process contributes to keep recruitment costs low at approximately USD 1,389 (LKR 200,000). Here the entire recruitment and migration cost is borne by the migrant and 63% is paid out to the SLBFE. However, due to the involvement of Korean language training requirements, the wait time to migrate to KOR is longer than that of SAU, while a work contract to KOR is three years and the monthly salary ranges from USD 694 - 868 (LKR 100,000-125,000).

The VC for the recruitment of low skilled manufacturing workers to MAS consists of key players such as employers, recruitment agents in LKA, KDN (*Kementerian Dalam Negeri*) - the Ministry of Home Affairs in MAS, SLBFE, and migrants. Recruitment agents in LKA play a significant mediation role between employees and employers, and have close links with the final employers in MAS. Other players in the VC include immigration authorities in the two countries, Malaysian Embassy and medical centers in LKA. Unlike in the case of the SAU VC, the involvement of sub-agents in LKA and recruitment agents in MAS is not extensive in the recruitment process.

The migrant's cost of securing employment in MAS is approximately USD 1,041 (LKR 150,000). Moreover, due to the agents' significant involvement in the recruitment process and its related preparatory work, here the agent bears an additional cost of nearly USD 3,472 (LKR 500,000) for ground work in preparation for recruitment. Given that these costs are applicable to recruiting a batch of migrant workers, the per migrant cost decline when large numbers of migrants are recruited through the given agent. The contract period for a low-skilled worker to MAS is generally three years and the monthly wage is in the range of USD 206- 275 (RM 900-RM 1,200).

To lower migration cost the study suggests to replace upfront incentives with higher remuneration packages; combine functions provided by different stakeholders; decentralise SLBFE operations; increase competition for medical certification; and stagger the time schedules of pre-departure training.

* Government official in charge of smallest administrative units in LKA.

විධායක සාරාංශය*

විදේශ රැකියාවන් අත්කර ගැනීම සඳහා වැයවන අධික පිරිවැය සංවර්ධනය වෙමින් පවතින රටවල පහළ මට්ටමේ කුසලතා සහිත ශ්‍රමිකයන් හට විදේශ ගත වීම සඳහා බාධකයකි. සංක්‍රමණ අගය දාමයේ (VC) බොහෝ කොටස්කරුවන් අතර සංක්‍රමණ පිරිවැය බෙදා හැරේ.

මෙම ලිපියෙන් සංක්‍රමණ ක්‍රියාවලිය හා ශ්‍රී ලංකාවෙන් (LKA) සෞදි අරාබියට (SAU), දකුණු කොරියාවට (KOR), හා මැලේසියාවට (MAS) පහළ මට්ටමේ කුසලතා සහිත ශ්‍රමිකයන් සඳහා වන පිරිවැය සංකල්පනය කිරීම සඳහා VC රාමුව භාවිතා කරයි. මෙම අධ්‍යයනය ගුණාත්මක ක්‍රමවේදයක් අනුගමනය කරන අතර ශ්‍රී ලංකාවේ ප්‍රධාන තොරතුරු සපයන්නන් සමග සම්මුඛ සාකච්ඡා 23 ක් සහ ඉලක්ක කණ්ඩායම් සාකච්ඡා තුනක් ඔස්සේ දත්ත එකතු කරයි.

සෞදි අරාබියට අදාළ අගය දාමයේ ප්‍රධාන පාර්ශවකරුවන් ලෙස මෙම අධ්‍යයනය සේවා යෝජකයින්, ශ්‍රී ලංකාවේ හා සෞදි අරාබියේ බඳවා ගැනීමේ නියෝජිතයන්, ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශය (SLBFE), උප නියෝජිතයින්, සහ සංක්‍රමණිකයන් හඳුනා ගනී. මෙම අගය දාමයේ අනෙක් පාර්ශවකරුවන් වන්නේ ශ්‍රී ලංකාවේ සෞදි අරාබි තානාපති කාර්යාලය, සෞදි අරාබියේ ශ්‍රී ලංකා තානාපති කාර්යාලය, මූල්‍ය ආයතන, වෛද්‍ය මධ්‍යස්ථාන, ග්‍රාම සේවක (GS) නිලධාරීන්, දිස්ත්‍රික් නිලධාරීන් (DOs) හා සංක්‍රමණික පවුල් ය. VC හි විශ්ලේෂණය සෞදි අරාබියට සංක්‍රමණය පෞද්ගලික මට්ටමේ බඳවා ගැනීම් ගිවිසුමක් ලෙස හඳුනාගන්නා අතර ඇමරිකානු ඩොලර් 4,750 (රු. 500,000) පමණ වන මුළු පිරිවැය සෞදි අරාබියේ සේවායෝජකයා විසින් දරන අතර සංක්‍රමණිකයින් කිසිදු වියදමක් නොදරති. මෙම පිරිවැය සංක්‍රමණිකයාගේ පවුල සඳහා දිරිදීමනා, නියෝජිතයන්ට හා උප නියෝජිතයන්ට කොමිස්, ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශයට පරිපාලන හා නියාමන ගාස්තු, හා වාර්තාමය අවශ්‍යතා සම්පූර්ණ කිරීම සඳහා වන පිරිවැයෙන් සමන්විත වේ. සංක්‍රමණිකයාගේ පවුලට හා උප නියෝජිතයින්ට කරන එකවර ගෙවීම් ඉවත් කළ විට මුළු එකතුව අමෙරිකානු ඩොලර් 902 (රු. 129,882) ක් වන අතර එයින් 47% ක් ශ්‍රී ලංකා විදේශ රැකියා නියුක්ති කාර්යාංශයට යයි. සෞදි අරාබියේ ගෘහ සේවිකාවක් සඳහා කොන්ත්‍රාත් කාලසීමාව අවුරුදු 2ක් වන අතර ඔවුනට මාසික වැටුප ලෙස

ඇමරිකානු ඩොලර් 243 (සෞදි රියාල් 1000) ක් පමණ ලැබෙයි.

සෞදි අරාබි අගය දාමයේ මැදිහත්වන වඩාත් බලවත්ම පාර්ශවකරුවා වන්නේ, ශ්‍රී ලංකාවේ බලපත්‍රලත් නියෝජිතයා සහ අනාගත සංක්‍රමණිකයා අතර මැදිහත්වීම සඳහා බිම් මට්ටමේ සිට ක්‍රියාත්මක වන අවිධිමත් අංශයක් වන උප නියෝජිතයාය. උප නියෝජිතයා සංක්‍රමණය බලාපොරොත්තු වන්නන්ට සංක්‍රමණ ක්‍රියාවලියේ නොයෙකුත් සහය දෙයි. උප නියෝජිතයාගේ කේවල් කිරීමේ බලය විවිධ ආයතන වෙත යාමට හා ඔහුගේ සේවා සඳහා ඉහළ කොමිෂන් ඉල්ලීමට ඉඩ දෙයි. තවද සංක්‍රමණිකයන් සූර්යකැමි, අවිචාරවත් කටයුතු හා අක්‍රමිකතා හේතුවෙන් උපනියෝජිතයෝ විවේචනයට ලක්වෙති.

රැකියා අවසර පද්ධතිය යටතේ (EPS), ශ්‍රී ලංකාව හා දකුණු කොරියාව අතර ආණ්ඩුවෙන් ආණ්ඩුවට ශ්‍රම සංක්‍රමණ ගිවිසුම අනාකූලික හා විධිමත් වූ එකකි. එහි ප්‍රධාන පාර්ශවකරුවන් වන්නේ HRD (EPS යටතේ ක්‍රියාත්මක වන විදේශ ශ්‍රමිකයන් බඳවා ගැනීමේ ආයතනය) හා ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශයයි (SLBFE). අනෙකුත් පාර්ශවකරුවන් වන්නේ රටවල් දෙකෙහි සංක්‍රමණික බලධාරීන්, ශ්‍රී ලංකාවේ කොරියානු තානාපති කාර්යාලය, මූල්‍ය ආයතන, වෛද්‍ය මධ්‍යස්ථාන, ග්‍රාම සේවක, භාෂා පුහුණු උපදේශකවරුන්, අපරාධ පරීක්ෂණ අංශය (CID), නීතිඥයින්, සහ සංක්‍රමණික පවුල් ය. මෙම වඩා ක්‍රමවත් ක්‍රියාවලිය බඳවාගැනීමේ පිරිවැය ආසන්න වශයෙන් ඇමරිකානු ඩොලර් 1,389 (රු. 200,000) කට පමණ අවම කිරීමට දායක වේ. මෙහිදී මුළු බඳවාගැනීමේ හා සංක්‍රමණික පිරිවැය සංක්‍රමණිකයා විසින් දරන අතර 63% ක් ශ්‍රී ලංකා විදේශ සේවා නියුක්ති කාර්යාංශයට ගෙවනු ලබයි. කෙසේ නමුත්, කොරියානු භාෂා පුහුණු අවශ්‍යතා හේතුවෙන් දකුණු කොරියාවට සංක්‍රමණය වීම සඳහා බලාපොරොත්තුව සිටීමේ කාලය සෞදි අරාබියට වඩා දීර්ඝය. නමුත් දකුණු කොරියාවට සේවා කොන්ත්‍රාත්තුව අවුරුදු තුනක් හා මාසික වැටුප ඩොලර් 694 සිට 868 දක්වා (රු. 100,000 - 125,000) වේ.

මැලේසියාවට පහළ මට්ටමේ කුසලතා සහිත කර්මාන්ත අංශයේ ශ්‍රමිකයන් බඳවාගැනීම සඳහා අගය දාමයට සේවායෝජකයන්, ශ්‍රී ලංකාවේ සිටින බඳවාගැනීමේ නියෝජිතයන්,

මැලේසියාවේ ස්වදේශ කටයුතු අමාත්‍යාංශය (Kementerian Dalam Negeri), ශ්‍රී ලංකාවේ විදේශ නියුක්ති කාර්යාංශය සහ සංක්‍රමණිකයන් වැනි ප්‍රධාන පාර්ශවකරුවන්ගෙන් සමන්විතය. ශ්‍රී ලංකාවේ බඳවාගැනීමේ ඒජන්සිකරුවන්, සේවකයන් සහ සේවා දායකයන් අතර කැපීපෙනෙන ලෙස මැදිහත්වීමේ කාර්ය භාරයක් ඉටු කරන අතරම මැලේසියාවේ සේවාදායකයන් සමගද සමීප සබඳතාවයක් පවත්වා ගනී. අගය දාමයේ කාර්ය භාරයන් ඉටුකරන අනෙක් පාර්ශවකරුවන් රටවල් දෙකේ විගමණ බලධාරීන්, මැලේසියානු තානාපති කාර්යාලය සහ ශ්‍රී ලංකාවේ වෛද්‍ය මධ්‍යස්ථාන වේ. සෞදි අරාබි වටිනාකම් දාමයේ මෙන් නොව ශ්‍රී ලංකාවේ උප නියෝජිතයන්ගේ සහ මැලේසියාවේ බඳවාගැනීමේ නියෝජිතයන්ගේ මැදිහත්වීම බඳවාගැනීමේ ක්‍රියාවලියේදී ප්‍රවේශන නැත.

මැලේසියාවේ රැකියා ලබාගැනීම සඳහා සංක්‍රමණිකයන්ගේ වියදම දළ වශයෙන් අමෙරිකානු ඩොලර් 1,041 (ශ්‍රී ලංකා රු. 150,000) වේ. තවද, බඳවාගැනීමේ ක්‍රියාවලියට ඒජන්සිකරුගේ කැපීපෙනෙන මැදිහත්වීම සහ ඒ හා සම්බන්ධ මූලික කටයුතු නිසා ඒජන්සිකරුට බඳවාගැනීමේ මූලික කටයුතු සූදානම් කිරීම සඳහා අමෙරිකානු ඩොලර් 3,472 (රු. 500,000) ක් පමණ වැය වේ. එම කාරණය සලකන කල, මෙම වියදම් සංක්‍රමණික ශ්‍රමිකයන් කණ්ඩායමක් බඳවාගැනීමේදී අදාළ වෙන නිසා විශාල සංඛ්‍යාවක් එම ඒජන්සිකරු මාර්ගයෙන් බඳවාගැනීමේදී එක් සංක්‍රමණිකයකුට යන වියදම අඩුවේ. මැලේසියාව සඳහා පහළ මට්ටමේ කුසලතා සහිත ශ්‍රමිකයකුට කොන්ත්‍රාත් කාලය සාමාන්‍යයෙන් වසර තුනක් වන අතර මාසික වේතනය අමෙරිකානු ඩොලර් 206 - 275 (RM 900-RM 1,200) වේ.

විදේශගතවීමේ වියදම අඩුකිරීම සඳහා මෙම අධ්‍යයනය ලබා දෙන යෝජනා වන්නේ දිරි දීමනා ඉවත්කොට එය ඉහළ මාසික වැටුපක් ලෙස ලබා දීම, විවිධ පාර්ශවකරුවන් විසින් සලසන ලද සේවා ඒකාබද්ධ කිරීම, ශ්‍රී ලංකා විදේශ රැකියා නියුක්ති කාර්යාංශයේ මෙහෙයුම් විමර්ශන කිරීම, වෛද්‍ය සහතික ලබාගැනීමට ඇති තරගකාරීත්වය ඉහළ නැංවීම, සහ විදේශගතවීමට පෙර ලබාදෙන පුහුණුවේ ආරම්භක දිනයන් විවිධ දිස්ත්‍රික් අනුව වෙනස් කිරීම යන ආදියයි.

* Disclaimer: The Sinhala Executive Summary is a translation of the original in English. In case of a discrepancy, the English original will prevail.

நிறைவேற்றுச் சுருக்கம்*

அபிவிருத்தியடைந்து வரும் நாடுகளின் குறைந்தளவான திறன்களைக் கொண்ட ஊழியர்களின் தொழிலுக்காக வெளிநாடுகளுக்கான இடம்பெயர்வுக்கு தடையொன்றாக வெளிநாட்டு தொழில் வாய்ப்புக்களைப் பெற்றுக் கொள்வதற்கான உயர் கிரயம் காணப்படுகின்றது. குடிபெயர்வு தொடர்பான பெறுமதிச் சங்கிலியில் தொடர்புடைய பல ஆர்வலர்களுக்கு மத்தியில் குடிபெயர்வுக் கிரயம் பகிரப்படுகின்றன. இலங்கையிலிருந்து (டுமுயு) சவுதி அரேபியா (சுயுரு)இ , தென் கொரியா (முமுக)இ , மற்றும் மலேசியா (ஆயுரு) போன்ற நாடுகளுக்குச் செல்கின்ற குறைந்த அளவான திறனுடைய ஊழியர்களுக்கான கிரயம் குடிபெயர்வு செயன்முறையை எண்ணக்கருத்தியலாக்குவதற்கான பெறுமதிச் சங்கிலி வேலைச்சட்டகமொன்றை உருவாக்குவதற்கு இந்தப் பத்திரம் பயன்படுத்தப்படுகின்றது. இலங்கையில் 23 பிரதான தகவல் நேர்காணல்கள் மற்றும் முன்று ஆர்வக் குழு கலந்துரையாடல்களின் ஊடாக தகவல்களை சேகரிப்பதுடன் இந்த ஆய்வு பண்புசார் ஆய்வு முறையொன்றை பின்பற்றுகின்றது.

சவுதி அரேபியா சார்பில் இந்த பெறுமதிச் சங்கியினை ஆய்வு செய்கின்ற போது, இலங்கை மற்றும் சவுதி அரேபியாவில் ஊழியர்களை ஆட்சேர்ப்புக்கு முகவரகங்கள், இலங்கை வெளிநாட்டு வேலை வாய்ப்புப் பணியகம், உப முகவர்கள் மற்றும் குடிபெயர்ப்பவர்கள் பிரதான பாத்திரங்களை ஏற்பாடுகளாகவும், அதே வேளை, இலங்கையிலுள்ள சவுதி தூதுவராலயம், சவுதியில் உள்ள இலங்கைத் தூதரகம், நிதி நிறுவனங்கள், மருத்து நிலையங்கள், கிராம சேவை உத்தியோகத்தார்கள், மாவட்ட அலுவலர்கள் மற்றும் குடிபெயர்ப்பவர்களின் குடும்பங்கள் ஏனைய பாத்திரங்களாக இனங்கண்டுள்ளது.

சவுதி அரேபியாவுக்கான குடிபெயர்ப்பவர்கள் தொடர்பான ஆட்சேர்ப்பானது தனியார் சார்ந்த துறையிலிருந்து தனியார் சார் ஆட்சேர்ப்பாக காணப்படுவதுடன் சவுதி அரேபியாவின் தொழில் தருளர்களினால் ஏறக்குறைய ஐ.அ.டொ. 4,750 (இலங்கை ரூபா 500,000) தொகை செலவு செய்யப்படுவதுடன் குடிபெயர்ப்பவர்கள் எந்தவித முன் செலவுகளையும் தாங்கிக் கொள்வதில்லை. இந்தக் கிரயத்தில் குடிபெயர்ப்பவர்களின் குடும்பங்களுக்கான ஊக்கப் பணம், முகவர்கள் மற்றும் உப முகவர்களுக்கான தரகுகள் மற்றும் இலங்கை வெளிநாட்டு வேலை வாய்ப்புப் பணியகத்திற்கான ஒழுங்கு முறைப்படுத்தல் செலவீனங்கள் மற்றும் ஆவணத் தேவைகள் மற்றும் சான்றுப்படுத்தல்களுடன் கூடிய செலவீனங்களை பூர்த்தி செய்து கொள்வதற்கான கிரயம் என்பவற்றை இந்தக் கிரயம் உள்ளடக்குகின்றது. குடிபெயர்வாளரின் குடும்பம் மற்றும் உப முகவருக்கான போதியளவான கொடுப்பனவுத் தொகையொன்று உள்ளடக்கப்படாத போது, உப தொகையான ஐ.அ.டொ. 902 (இலங்கை ரூபா 129,882) தொகையில் 47 சதவீதம் இலங்கை வெளிநாட்டுப் பணியகத்திற்கான கொடுப்பனவாக கொடுப்பனவு செய்யப்படுகின்றது. சவுதி அரேபியாவில் ஒரு வீட்டுப் பணியாளருக்கான ஒப்பந்தக் காலம் பொதுவாக இரண்டு வருடங்களாகும்,

அத்தோடு வீட்டுப் பணியாளர்கள் மாதமொன்றுக்கு ஐ.அ.டொ. 243 (சவுதி ரியால் 1,000) ஐ சம்பளமாகப் பெறுகின்றனர்.

சவுதி அரேபிய பெறுமதிச் சங்கிலியில், கவனம் செலுத்தும் போது, உப முகவர் மிக வலுவான பாத்திரமாக செயற்படுவதுடன், அனுமதிப்பத்திரம் பெற்ற முகவர் மற்றும் இலங்கையிலிருந்து வெளிநாடு செல்வதற்கு உத்தேசித்துள்ள ஊழியருக்கிடையில் ஒருங்கிணைப்புச் செய்கின்ற ஆரம்ப கட்ட செயற்படுத்துனராக இருக்கின்ற முறைசாரா நிறுவனமொன்றாக செயற்படுகின்றார். வெளிநாடு செல்வதற்கு உத்தேசித்துள்ள ஊழியர்களை குடிபெயர்வுச் செயன்முறையில் ஈடுபடுத்துவதற்கு உப முகவர் ஒத்துழைப்பு வழங்குகின்றார்.

உப முகவர்களின் பேரம் பேசும் சக்தியானது அவர்களது சேவைகளுக்கான தொடர்பாக உயர் தரகினைப் பெற்றுக் கொள்வதற்காக காணப்படுகின்ற பல்வேறுபட்ட முகவரகங்களில் பேரம் பேசுவதற்கு அனுமதிக்கின்றது. அதே வேளை குடிபெயர்வாளர்னை முறைகேடாக பயன்படுத்தல் மற்றும் பிழையான நடத்தைகள் பால் வழிநடத்தல் தொடர்பாக உப முகவர்கள் விமர்சனத்திற்கு உள்ளாகின்றனர்.

தொழில் அனுமதி முறையின் கீழ், பெயரளவில், எச்-ஆர்டி (ஊழியர் அனுமதி முறையின் கீழ் வெளிநாட்டு தொழில்படைக்கு ஒத்துழைப்பு வழங்குகின்ற தொழில் மற்றும் தொழில்வாய்ப்பு அமைச்சில் அரசு ஆட்சேர்ப்பு முகவரகமொன்றான), இலங்கை வெளிநாட்டு வேலைவாய்ப்புப் பணியகம், மற்றும் குடிபெயர்வாளர்கள் போன்ற பிரதான பாத்திரதாரர்களுடன் இலங்கை மற்றும் தென் கொரியா ஆகிய நாடுகளுக்கிடையேயான அரசுக்கும் அரசுக்குமிடையேயான தொழிலாளர் குடிபெயர்வு ஏற்பாடு ஒப்பீட்டு ரீதியாக நெறிப்படுத்தப்பட்டுள்ளது. இரண்டு நாடுகளிலும் உள்ள குடிபெயர்வு அலுவலர்கள், இலங்கையில் உள்ள கொரிய தூதுவராலயம், நிதி நிறுவனங்கள், மருத்துவ நிலையங்கள், கிராம சேவையாளர், மொழிப் பயிற்சி ஆசிரியர்கள், குற்றப் புலனாய்வுப் பிரிவு, சட்டத்தரணிகள் மற்றும் குடிபெயர்ப்பவரின் குடும்பம் என்பனவற்றை ஏனைய பாத்திரங்களாக கொள்ள முடியும். நன்கு ஒழுங்கு முறைப்படுத்தப்பட்ட செயன்முறை ஆட்சேர்ப்பு செயன்முறையை ஐ.அ.டொ. 1,389 வரை மிகக் குறைவாக வைத்துக் கொள்வதற்கு பங்களிப்புச் செய்கின்றது (இலங்கை ரூபாவில் 200,000). இங்கு முழுமையான ஆட்சேர்ப்புச் செயன்முறையும் குடிபெயர்வுக் கிரயமும் குடிபெயர்ப்பவரினால் ஏற்றுக்கொள்ளப்படுவதுடன் 63 சதவீதமானவை இலங்கை வெளிநாட்டு வேலை வாய்ப்புப் பணியகத்திற்கு செலுத்தப்படுகின்றது. எனினும், கொரிய மொழிப் பயிற்சி தேவைப்பாடுகளின் ஈடுபாட்டின் காரணமாக, சவுதி அரேபியாவிற்கு செல்வதற்கு குடிபெயர்வதற்கு எடுக்கும் காலத்திலும் பார்க்க கொரியாவிற்கு குடிபெயர்வதற்கு காத்திருக்க வேண்டிய காலம் அதிகமாக இருப்பதுடன், தொழில் ஒப்பந்தம் முன்று வருடங்களைக் கொண்டதுடன் மாதாந்தச் சம்பளம் ஐ.அ.டொ. 694 - 868 டொளர்கள்

வரை காணப்படுகின்றன. (இலங்கை ரூபாவில் 100,000 - 125,000).

ஊழியர்கள், இலங்கையில் உள்ள ஆட்சேர்ப்பு முகவரகங்கள், கே.டி.என் (கமன்டெரியன் தலம் நகரி சார்பாக பிரதிநிதித்துவப்படுத்துகின்றது) - மலேசியாவின் உள்ளநாட்லுவல்கள் அமைச்சு, இலங்கை வெளிநாட்டு வேலைவாய்ப்புப் பணியகம் மற்றும் குடிபெயர்ப்பவர்கள் போன்ற பிரதான பாத்திரங்களை உள்ளடக்குகின்றவர்களை மலேசியாவிற்கான குறைந்த திறன்களுடன் கூடிய ஆட்சேர்ப்பு தொடர்பான பெறுமதிச் சங்கிலி உள்ளடக்குகின்றது. ஊழியர் மற்றும் தொழில்துறையுருக்கிடையில் மிக முக்கியமான சமசர பாத்திரத்தை கோலாலம்பூரின் ஆட்சேர்ப்பு முகவரகங்கள் மேற்கொள்வதுடன் மலேசியாவின் இறுதி தொழில்துறையுருக்கிடையேயான நெருங்கிய தொடர்பினை பேணிவருகின்றது. இரண்டு நாடுகளின் குடிபெயர்வு அதிகாரிகள், மலேசிய தூதுவராலயம் மற்றும் கோலாலம்பூர் மருத்துவ நிலையங்கள் என்பவற்றை ஏனைய செயற்படுத்துனர்களாக பெறுமதிச் சங்கிலியில் உள்ளடக்கியுள்ளது. சவுதி அரேபியாவின் பெறுமதிச் சங்கிலி போலன்றி, இலங்கையில் உப முகவர்களின் ஈடுபாடு மற்றும் மலேசியாவின் ஆட்சேர்ப்பு முகவர்கள் பரந்த ஆட்சேர்ப்புச் செயன்முறையைக் கொண்டிருப்பதில்லை.

மலேசியாவில் தொழில் வாய்ப்பொன்றைப் பெற்றுக் கொள்வதற்கு குடிபெயர்வாளர் ஒருவருக்கு ஏறக்குறைய ஐ.அ.டொ. 1,041 (இலங்கை ரூபாவில் 150,000) செலவாகின்றன. மேலும், ஆட்சேர்ப்புச் செயன்முறையில் முகவரகங்களின் முக்கியமான ஈடுபாட்டின் காரணமாகவும் மற்றும் அதனுடன் தொடர்புடைய ஆட்சேர்ப்புச் செயன்முறை தொடர்பான ஆரம்ப வேலைகள் காரணமாகவும் முகவரகங்கள் மேலதிகமாக ஏறக்குறைய ஐ.அ.டொ. 3,472 (இலங்கை ரூபாவில் 500,000) ஐ முகவரகங்கள் தாங்கிக் கொள்கின்றன. வழங்கப்பட்ட கிரயமானது ஒரு தொகுதி ஊழியர்களை ஆட்சேர்ப்புச் செய்வதுடன் தொடர்புடையதாக காணப்படுவதுடன் வழங்கப்பட்ட முகவரகத்தின் ஊடாக அதிக அளவான குடிபெயர்வு ஊழியர்கள் ஆட்சேர்ப்புச் செய்யப்படும் போது ஒரு நபருக்கான ஆட்சேர்ப்புக் கிரயம் வீழ்ச்சியடையும். மலேசியாவிற்கான குறைந்த திறனுடன் கூடிய ஊழியர்களுக்கான தொழில் ஒப்பந்தமானது பொதுவாக முன்று வருடங்களைக் கொண்டதுடன் மாதாந்தச் சம்பளம் ஐ.அ.டொ. 206 - 275 வரையுள் ஆகும் (ஆர்எம் 900 - ஆர்எம் 1,2000).

குடிபெயர்வுக் கிரயத்தை குறைத்துக் கொள்வது தொடர்பில் இந்த ஆய்வானது உயர் சம்பளப் பொதியுடன் முற்கொடுப்பனவு ஊக்கப்படுத்தலை மாற்றியமைக்க வேண்டும் என்றும், இந்த ஆய்வானது முன்மொழிவதுடன் மாறுபட்ட அக்கறை காட்டுனர்களினால் வழங்கப்படுகின்ற தொழிற்பாடுகளை ஒருங்கிணைப்பதற்கும், இலங்கை வேலைவாய்ப்புப் பணியகத்தின் தொழிற்பாடுகளை பண்முகப்படுத்துவதற்கும், மருத்துவச் சான்றிதழ்களுக்கான போட்டித் தன்மையை அதிகரிப்பதற்கும் மற்றும் குடிபெயர்வதற்கு முன்னரான பயிற்சி கால எல்லையை குறைத்துக் கொள்வதற்கும் பிரேரிக்கின்றது.

* Disclaimer: The Tamil Executive Summary is a translation of the original in English. In case of a discrepancy, the English original will prevail.

1. Introduction

Employment is one of the main reasons to migrate. Among the 251 million migrants in 2015, which accounts for over 3% of the world population, more than half left their home countries for employment¹ (World Bank, 2016; and ILO, 2015a). In the case of Sri Lanka (LKA), every year around 300,000 people leave for foreign jobs, mostly having secured the job while still being in LKA (Central Bank of Sri Lanka (CBSL), 2016).

High-costs associated with securing employment abroad can be a barrier to cross-border labour mobility, especially for low-skilled workers. Costs accrue to various stakeholders involved in the recruitment process, mainly to the migrant worker and a lesser extent to the other stakeholders such as employers, recruitment agents and the sending and receiving governments. The cost of migration is distributed across many stakeholders across the three phases of migration - pre-migration, migration and post-migration.

Costs of migration, however, do not have clearly defined components or a methodological framework for conceptualisation. The stakeholders involved and their associated costs differ based on nuances of migration such as destination where the migrant is heading, intended occupation, as well as the

recruitment channel. A clear understanding of who the stakeholders are, their functions and interrelationships will help better understand the structure of migration costs and thereby identify policies and strategies to reduce migration costs.

Against this backdrop, the objective of this study is to provide a methodological framework for conceptualising a more holistic migration process of low-skilled workers from LKA, by mapping a value chain (VC) of labour migration costs. Such mapping will help disaggregate migration costs and identify causes for migration costs - such as inefficiency in administrative procedures, market failures, regulatory capture and other rent seeking behaviours, and thereby highlight policy, institutional and regulatory settings that influence migration costs. It would also help to identify the distribution of the cost and profit associated with actors in the VC and highlight leverage points in the chain and possible opportunities for reducing the cost of migration. As such, this study focuses on two elements of the VC analysis - mapping of the VC for migration cost for low-skilled workers and analysis of the VC to identify opportunities for lowering the costs.

More specifically the study attempts to answer the following

research questions:

- Who are the actors² in the migration process?
- What are their functions?
- How are migration costs distributed along the VC?
- How do these actors interact with each other?
- What changes in policies, institutional and infrastructural settings are required to lower costs?

The scope of the study is limited to three distinctive migration streams from LKA to Saudi Arabia (SAU), South Korea (KOR) and Malaysia (MAS). These three corridors are selected based on their unique importance in the LKA migration scenario. SAU is the leading destination for low skilled migrant workers from LKA and recruitment to SAU from LKA is governed by private-to-private arrangements between recruitment agents in the two countries. In comparison, KOR is a leading non-Middle Eastern destination of Sri Lankan workers, where the entire recruitment process is carried out by governments (so called, a government-to-government approach involving bilateral agreements) by-passing private recruiters. The choice of MAS is based on the growing opportunities in that country for Sri Lankan workers and the evolving recruitment networks in the corridor.

¹ It comprises all international migrants who are currently employed or seeking employment in their country of current usual residence.

² In Global Value Chain (GVC) literature, the players in the VCs are referred to as 'Agents'. However, due to the involvement of recruitment agents in this study, to minimise confusion "agent" terminology in value chains is replaced with "actors".

For SAU, the scope of the study is limited to female domestic workers (FDW), because they account for nearly half of Sri Lankan workers heading for SAU (Table 1). For MAS and KOR, the study focuses on low-skilled workers in the manufacturing sector given the significance of these occupations for Sri Lankan migrants workers in these selected countries.

The paper is organised as follows. Section 2 describes the country context. Section 3 reviews the relevant literature. Section 4 presents the VC methodology and data. Sections 5-7 map the three VCs and discuss actors, their functions, the migration process and interaction between the actors along the VC. Section 8 provides a comparison of migration costs in the three VCs while Section 9 concludes with a discussion and set of recommendations to reduce migration costs.

Table 1
Selected Characteristics of Labour Migration from LKA - 2014

Total migrant departures	300,413
-Qatar	84,571
-Saudi Arabia	80,539
-Kuwait	25,896
-U.A.E	50,192
-South Korea	6,684
-Malaysia	3,308
Departures by skills (% of total departures)	
-Skilled	24.3
-Unskilled	26.4
-Housemaids	29.5
-Other	19.8
% of unskilled departures to South Korea	77
% of housemaids to Saudi Arabia	49
% of females out of total departures	37
% employed through licensed agents	59

Source: CBSL, 2015.

2. Country Context - Labour Migration

Migration has been an age old phenomenon - outflows of Sri Lankans for employment in an organised manner commenced in the late 1970s with the introduction of open economic policies. During this time, the Middle East (ME) region was the predominant destination and migrants to ME were concentrated in low skilled occupations. To date, ME remains as a key destination of low-skilled Sri Lankan workers (MFEPW, 2008).

At the macro level, labour migration from LKA supports the economy by reducing unemployment pressures and providing remittances to bridge the current account balance. In 2014, remittances stood at over USD 7 billion, which accounted for nearly 10% of GDP. A majority of the remittances flowed from the ME (CBSL, 2014). Of total migrant departures in 2014, 54% were low skilled workers (which includes unskilled and housemaids) while more than half of departures secured foreign employment through licensed foreign employment agents (Table 1).

Over the years the development of the labour migration industry in LKA has been complemented by evolving policies, institutions, and rules and regulations. During the early 1970s, regulatory arrangement for foreign employment came under the provisions of the 'Fee Charging Employment Agency Act No.37 of 1956 and the Department of Labour'. Unable to cope with emerging trends in 1976, the Department of Labour established a separate 'Foreign Employment Division' within its administrative structure. The Foreign Employment Division was the initial step in public sector's involvement in the overseas labour deployment, followed by the establishment of the Sri Lanka Bureau of Foreign Employment (SLBFE) in 1985 under the Sri Lanka Bureau of Foreign Employment Act No.21 of 1985.

The legal foundation laid down in the Act of 1985 resulted in the recruitment policies for the benefit of all stakeholders associated with the process. The recruitment fee prescribed by the Act was a

uniform LKR 2,000 (USD 74 based on exchange rate in 1985) per recruit. The first amendment to the Act made in 1994 introduced a fee structure tied to the salary levels of migrant workers. In 2009, the foreign employment recruitment policy was further changed to grant legal authority to recruitment agencies to charge the actual cost of the recruitment in addition to the payment of government levies (ILO, 2013).

Until 2007, all aspects of foreign employment of the SLBFE were under the Ministry of Labour. Thereafter, all responsibilities of policy formulation, monitoring and financing for foreign employment were brought under the newly established and separate Ministry of Foreign Employment Promotion and Welfare (MFEPW). Under the guidance of the MFEPW, the first National Labour Migration Policy for Sri Lanka was drafted in 2008 (MFEPW, 2008). Currently, all functions of labour migration are vested under the Ministry of Foreign Employment (MFE), the successor to MFEPW.

3. Literature Review

Currently, there is limited or no literature on VC analysis of low skilled migration and associated costs. However, certain aspects of migration cost incurred in the three phases of migration (pre-migration, in-service and post migration) are covered in migration literature in a fragmented manner. This review focuses on literature relevant to LKA, SAU, KOR and MAS.

According to the Institute of Policy Studies of Sri Lanka (IPS, 2013) migration cost in LKA is a function of the type of overseas employer company. The study shows that there are six types³ of employer companies and they differ by how various cost components such as medical insurance, air ticket, advertising cost, and commissions to recruitment agents are shared by the employer, company and migrant workers. The study shows that most migrate through companies that cover free medical insurance, air tickets, advertising costs of agents and pay an agency fee of USD 250-500, or companies that only provide a free air ticket and a small commission to the LKA agent, while medical insurance would have to be borne by the migrant. These costs identified in the study involve all three phases of migration.

Focusing on the pre-migration phase, Human Rights Watch

(HRW, 2007) identifies that prospective women migrants face exorbitant costs due to overcharging by the agents and sub-agents for recruitment and placement services. The report revealed that the sub-agents were more often guilty of inflating the fees than the agency. Unlike the licensed recruitment agencies, sub-agents are unlicensed and unregulated job brokers, operating at the grass root level to scout migrants. Many low-skilled workers live in rural areas, while the agencies are located in the city which leads to many intermediate costs especially to the sub-agents who mediate between agents and potential migrants (Martin, 2014). HRW (2007) suggests that there are around 580 registered agencies in LKA with an estimated 10,000-20,000 sub-agents operating throughout the island. The same study also notes that the sub-agents have significant power in the migration process and that 75-80% of housemaids are hired via a sub-agent. Moreover, their familiarity, rapport and earned trust from potential migrants allow them to distort information without suspicion and overcharge.

The mismatch between the official and actual fees paid by the prospective worker is a major cause for concern. HRW (2007) reports payments of USD 68-315

(LKR 7,500 to 35,000)⁴ as commissions to the agents or sub-agents. However, as per the Sri Lanka Bureau of Foreign Employment Act, agents are prohibited from charging a commission apart from an amount of USD 27-90 (LKR 3,000-10,000), depending on the salary of a migrant worker. Reportedly, 30% of the agency fee goes towards the Workers Welfare Fund, while 70% goes to the agent or sub-agent for finding the job (Crépeau, 2015). Literature highlights that despite the existence of regulations for controlling the reported high cost of migration by stipulating a maximum chargeable amount as recruitment cost from the migrant worker, potential migrants are still subject to exorbitant charges, above these 'SLBFE approved charges'. Agencies tend to ignore these restrictions due to the absence of any follow up action or monitoring of application of SLBFE approved fees on migrant workers (ILO, 2013).

Ukwatte (2012) also notes that the relatively low socioeconomic status of migrant workers makes financing foreign employment a major problem, as migration costs account for about half the annual income of these families before migration. The latter study further notes that most female migrants rely on informal

³ Type A: Companies provide free medical insurance, air ticket, the advertising cost and 10% commission to the recruiting agency in Sri Lanka.

Type B: Companies provide only the free air ticket and a small commission to the agent in Sri Lanka and other costs incurred such as medical insurance have to be borne by the migrant.

Type C: Companies provide only the free air ticket and there is no commission.

Type D: Companies provide only the commission.

Type E: Companies provide nothing free of charge and no commission.

Type F: Companies provide no commission and nothing free of charge, and the recruiting agency in Sri Lanka has to pay a commission to the employer company.

⁴ Annual average exchange rate in 2007 was LKR 111=1 USD.

networks for job placement due to the high cost of formal channels. Crépeau (2015) notes migrants borrow amounts ranging from USD 104-2,083 (LKR 15,000 to 300,000) from banks and lenders, while others rely on informal channels to meet the heavy costs. Many resort to mortgaging their lands, taking personal loans or pawning their jewelry to avoid borrowing from banks, which are known to impose strict conditions that migrants are unable to commit to.

HRW (2007) highlights the dangers of such pre-departure debt and the associated risks of borrowing. Migrants are known to borrow from private lenders. Certain bank loans require collateral, which the migrant is unable to provide. This leads to the worker borrowing the collateral from yet another party causing a vicious cycle of debt. Hence, defaulting on a loan would mean that the migrant would face huge financial liability with many creditors to answer to.

Similar to the pre-migration phase, during in-service phase also migrants bear costs. The main reason for costs incurred during the migration phase is the asymmetry of information between the migrant and other stakeholders. Migrants are rarely notified of the exact nature of the job and the working hours. Hence, some migrants sign employment contracts unaware of all conditions stipulated in them (Crépeau, 2015). In some instances, foreign jobs are offered on the promise of accommodation and food by the employer, but their absence leads to increasing in-service costs incurred by migrants after their

arrival in the destinations.

Another common reason that contributes to in-service costs borne by migrants is allocation of monthly salary (often in the initial six months) towards repaying their pre-departure loans/advances taken from the recruitment agencies (Shaw, 2012). In some cases, the employers try to pass down their initial expenditure to the worker by deducting it from their salaries (Martin, 2014). Given that these loans and their repayments are often informal arrangements with no supporting documentation, migrants run the risk of not possessing tangible records to minimise vulnerability at the hands of employer or agent. Several migrants have claimed that the employers have withheld part of their pay, even after clearing the debt, thereby recovering airfares and other expenses which were specified as employer liabilities in the contract (Shaw, 2012).

However, in the case of ME, the '*kafala*' system (sponsorship system), requires the employer to sponsor the worker's visa and bear full economic and legal responsibility for the worker during the contract period. For domestic workers, the system legally binds the worker to the sponsor. While the '*kafala*' system has its benefits, critics argue that it has had many negative implications that outweigh the positives. When the worker is tied down to the employer, she loses her bargaining power, and becomes vulnerable to abuse and exploitation (Kalansuriya, 2013). Reported complaints of the '*kafala*' system stems from employers' sense of ownership of the migrant worker,

leading to deprivation of basic rights, harassment, discrimination, restricted access to health care, confiscation of passports and non-payment of salaries (Crépeau, 2015). Such nuances of forced labour takes place despite the existence of ILO's Force Labour Convention 1930 (No. 29), which is aimed at protecting workers from similar situations. In such instances, it is important to pursue mechanisms to follow ILO recommendations for preventing such issues, protecting migrant workers and providing remedies such as compensation and access to justice.

Similar to the '*kafala*' system, recruitment of low skilled workers in KOR is governed by the Employment Permit System (EPS) introduced in 2004. This system is built on government-to-government bilateral agreements between the government of South Korea and the governments of selected origin countries.⁵ These agreements stipulate that the recruitment, selection and placement of workers under the scheme would be managed entirely by government ministries in charge of labour migration (or by entities affiliated with the relevant ministry) in the two countries (Kim, 2015; Open Working Group on Labour Migration and Recruitment, 2015).

Kim (2015) highlights that one of the main objectives of the EPS system is to improve transparency in the recruitment process and to reduce recruitment cost. In this connection, the "South Korean government claims that under the EPS, recruitment fees have been regulated and reduced significantly

⁵ So far, KOR has signed MOUs with 15 origin countries under the framework of the EPS: Bangladesh, Cambodia, China, Indonesia, Kyrgyzstan, Mongolia, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand, Timor-Leste, Viet Nam and Uzbekistan (Open Working Group on Labour Migration and Recruitment, n.d).

for migrant worker" (Open Working Group on Labour Migration and Recruitment, 2015, p. 5). However, the same study highlights the significant variation in the fees incurred by workers based on local market prices for the process in countries of origin. For instance, recruitment fee in LKA is USD 1,108 while the lowest and highest are USD 551.80 and USD 1,739.70 in Philippines and Pakistan, respectively. Similarly, the demand for Korean jobs is far greater than the quotas allocated under the EPS. Hence, *"once the EPS quota has been met, those applicants who are not selected are often reluctant to pursue other opportunities, as they have already invested so much time and energy in preparing to migrate specifically to South Korea. Many of these workers reportedly remain unemployed with the intention of reapplying for EPS placements the following year"* (Open Working Group on Labour Migration and Recruitment, 2015, p. 5).

In 2005, LKA became an approved foreign worker source country in MAS through a bilateral agreement between the two governments for jobs in the manufacturing, construction, agriculture, plantation and service sectors (GIZ and ILO, 2015). This opened up new avenues for Sri Lankan workers.

Post 2005, foreign recruitment in MAS was predominantly handled by 'outsourced companies'. This system brought all administrative functions, including the payment of salaries under the purview of the outsource company. However, the concept was heavily criticised, resulting in new government regulations allowing employers to hire foreign workers through the recruitment agents.

Outflow of migrants to MAS was relatively low in the successive years given the financial constraints faced by the migrants and employers. At that time, recruitment charges by Sri Lankan agents were in the range of USD 917-1,145 (RM 4,000-5,000) and Malaysian agents charged employers up to USD 2,291 (RM 10,000) per recruit. However, new reforms such as raising the minimum wage from USD 149 (RM 650) to USD 206 (RM 900), relaxing the recruitment policy involving outsourcing companies, blacklisting employers and agents charged with labour exploitation, and better overall regulation have had a significant impact on MAS's migrant labour market, creating a more conducive environment for foreign workers.⁶

Foreign workers are better integrated into the Malaysian labour market when compared to the Gulf nations due to the comparable status of foreign and native workers. In recent years, MAS has become a popular destination country in Asia with 18.2% (2.3 million) of the workforce in 2013 comprised of migrants. In addition, an estimated 1 million undocumented migrants worked in MAS, increasing the share to 25.8% of the workforce in 2013 (GIZ and ILO, 2015).

The majority of migrant workers in MAS are employed in low-skilled, low-wage jobs. In 2013, low-skilled workers accounted for 96.4% of all documented migrant workers in the country. MAS will continue to employ low-skilled foreign workers owing to the demand for such work in key growth sectors such as the agriculture, palm oil, rubber, electrical and electronics industries (GIZ and ILO, 2015).

Principle policy instruments used to manage foreign labour in MAS are work permits and foreign worker levies. Migrants earning less than USD 1,456 (RM 5,000) a month, typically low-skilled and semi-skilled workers, have to apply for a work permit (visit pass) for temporary employment. Work permits are issued for a restricted period of time, preventing permanent settlement and ensuring the temporary nature of low-skilled labour intake (GIZ and ILO, 2015). Currently, a work permit is valid for one year and can be renewed annually for a maximum of three years (with the exception of domestic maids who are granted longer contract periods).

The payment of a levy for foreign employment was initiated in 1992 to recover costs related to managing the migrant workers and to reduce the dependency of employers on foreign workers. The annual levy varies by sector and skills. With the introduction of a higher minimum wage, the payment of the levy has been passed onto workers via salary deductions (GIZ and ILO, 2015).

GIZ and ILO (2015) identify the need for awareness and promotion of Malaysian job opportunities given the large scope for low-skilled workers in relatively better working conditions compared to alternative destination countries.

As seen in the foregone discussion, existing literature addresses migration cost in a fragmented manner by focusing on limited aspects of migration cost. The current study addresses this lacuna in literature by adopting a VC methodology to provide a comprehensive picture of migration costs.

⁶ All values are based on Key Informant Interviews conducted for this study.

4. Methodology and Data

This study adopts a VC approach which 'describes the full range of activities which are required to bring a product or service from conception, through the different phases of production, delivery to final consumers' and beyond (Kaplinksy & Morris, 2001, p.4). Of the different approaches to a VC analysis, this study uses Global Value Chain (GVC) as it provides a framework to examine inter-relations between different agents. Adoption of this framework for the study will help to map out the VC including the actors, their functions, governance and institutions concerned and the associated costs at each stage of the migration process. To date, GVC analysis has been widely adopted by researchers, industry and development practitioners. Even though there have been a number of case studies on manufacturing, high-technology, agro-food commodities, services, transport and logistics, there has not been any VC analysis of migration cycle or its associated costs. Thus, this study will add to this emerging field of literature on GVCs.

The study adopts a qualitative methodology, which includes Key Informant Interviews (KIIs), Focus Group Discussions (FGDs), and documentation - that is, a review of published and unpublished material on government policies and regulations/institutions related to low skilled migration from LKA to SAU, KOR and MAS. Thus, the study relies on both primary and secondary sources. Primary data collection was limited to LKA, and KIIs involved semi-structured face-to-face interviews with key informants across the VC, from

migrant workers to recruitment agents and the main institutions (formal/informal) supporting the migration process. These semi-structured interviews were based on the survey questionnaires relevant to 'Cost of Migration' surveys conducted by the World Bank's *Global Knowledge Partnership on Migration and Development (KNOMAD)* - *Thematic Working Group on Low-Skilled Labour Migration*. Survey questions were modified for the purpose of a VC analysis in LKA.

Key informants from the chain were initially identified purposefully for interviews with the assistance of industry experts. The informant pool was thereafter expanded using the 'snowballing technique'. Using this technique, the research team moved along the chain, and obtained insights from informants at different points in the chain. Other VC studies have also utilised this non-probability sampling technique. The interviewees were selected to capture a broad variation in responses by adopting a 'maximum variation sampling methodology'. The point of entry to the field work were interviews with recruitment agents in LKA, as they provide a vital link between agents/employers abroad and migrant workers in LKA. Thereafter, the chain was traced back and forth using the above techniques.

The study involved 23 KIIs in total (Table 2). For SAU, a total of seven interviews were conducted with representatives of the SLBFE, recruitment agents, and other stakeholders like bank representatives. For KOR, the nine KIIs included SLBFE representatives, representative

from the EPS center in LKA, two returnees and two representatives from banks and financial institutions. In the case of MAS, a total of seven interviews were conducted and respondents included the SLBFE officials, recruitment agents, returnees and bank representatives.

In addition to one-on-one interviews, primary data collection also included three FGDs. The FGD on SAU included seven women aspiring to work as housemaids in SAU for a period of two years. The group consisted of both Sinhalese and Tamil women from the districts of Galle, Nuwara Eliya, Colombo, and Ratnapura. The group also included one returnee migrant from SAU. At the time of interview they were undergoing a 21 day training programme at the SLBFE Training Centre in Pannipitiya. The discussion was aimed at identifying the costs involved with each stage of the process of migration to SAU.

One of the two focus group discussions for KOR was conducted with five potential migrants, who were undergoing a 10-day training programme held at the Athurugiriya training centre. These FGD participants were all males between the ages of 18-39. Of the five respondents, two were married, and one had a son as well. The potential migrants had secured jobs in the manufacturing industry (plastics, PVC manufacturing and food production). All respondents were first time migrants. The second FGD consisted of one female and six male potential migrant workers in the manufacturing sector in KOR. Their contracted jobs included working in steel, chemical and food

Table 2
KIs and FGDs for the Study

Country	KIs	FGDs	Country	KIs	FGDs	Country	KIs	FGDs
SAU	SLBFE: 3	1 (7 migs)	KOR	SLBFE: 4	2 (5 migs) (7 migs)	MAS	SLBFE: 1	-
	Agents: 3			EPS Centre: 1			Agents: 3	
	Other: 1			Returnees: 2			Returnees: 2	
				Other: 2			Other: 1	
	Total: 7			Total: 9			Total: 7	

Source: Authors' calculations based on fieldwork.

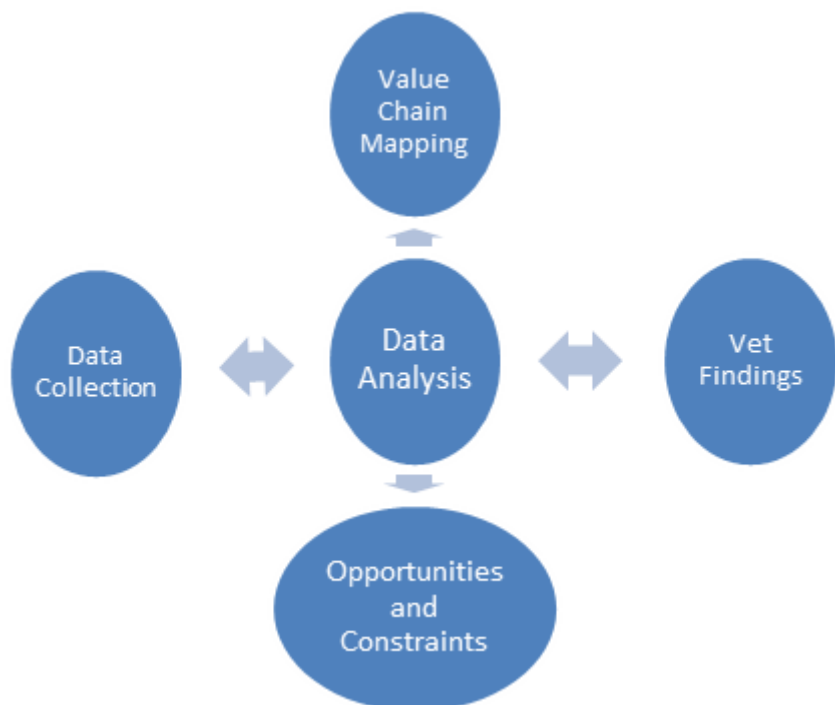
processing factories. Two of these FGD participants were returnees from KOR who had been selected to work there again. This FGD was conducted after their pre-departure briefing at the SLBFE.

In addition to primary data collection carried out from September to November 2015, VC analysis consisted of the following steps: VC mapping, analysis of opportunities and constraints, and vetting the findings, as shown in Figure 1.

The vetting meeting was held on December 8, 2015 with the aim of obtaining feedback from key stakeholders regarding the ongoing study. The participants for the meeting included key informants from SLBFE, agents, returnee migrant/instructor covering all three chosen migration corridors (SAU, KOR, and MAS).

Based on primary data collected, secondary data and literature used, the initial maps for each VC were constructed. These preliminary VC maps were presented at two forums of peer researchers - one, a collection of Sri Lankan researchers and the other, a group of international experts towards

Figure 1
Diagram of VC Analysis



Source: Authors.

validating the findings. Based on the feedback on both these forums and vetting with stakeholders, VCs were further refined to arrive at the VCs presented and analysed in the subsequent sections.

The limitations of the study include the inability to generalise the cost

of migration beyond the three VCs and the findings being specific to selected job categories of low skilled migrants. Moreover, due to time and cost constraints, field work was limited only to LKA.

5. Value Chain for Saudi Arabia

The VC for SAU is discussed under its actors, their functions, interactions and the associated costs.

5.1 Actors and Functions

The main actors in the VC to SAU are employer in SAU, recruitment agents in the two countries, sub-agents in LKA, SLBFE and migrants, who are mapped in.

Employers in SAU of female domestic workers (FDW) in SAU are heads of households. As noted by De Bel-Air (2014), 15% of foreign workers in SAU in 2013 were domestic workers (of both sexes), while the stock of Sri Lankan employed (in all occupations) in SAU was an estimated 550,000. Among them about 375,000 are FDWs and this constitutes about 25% of the total of 1.5 million FDW in SAU (The Guardian, 2013). For FDWs, the employers bear the entire cost of recruiting a worker to SAU, while they also generally bear the food and medical costs of the worker. Housemaids are expected to be based at the employer's residence and as such there is no additional cost for accommodation.

Recruitment agents in SAU are registered companies in SAU and they are involved in manpower recruitment from overseas. As per SLBFE's circulars these foreign agencies which have been permitted to recruit Sri Lankan manpower should be registered with the LKA Diplomatic Mission in SAU. Recruitment agencies in SAU generally specialise in particular areas of work (Just Landed, n.d.).

Agency and consultancy fee is covered by the employer and ranges from 10-20% of the annual salary of migrant workers (The Guardian, 2013).

Recruitment agents in LKA are registered companies licensed to recruit manpower for placement in foreign jobs. They play a significant role in the labour migration process in LKA, acting as an intermediary between the potential migrants, employers and regulatory bodies. While agents exercise power over migrants they send abroad, they are also governed by both the SLBFE and Association of Licensed Foreign Employment Agencies or ALFEA (Gamburd, 2002). The SLBFE has full control over the issuance of licenses to foreign employment agencies for conducting foreign recruitment outside LKA (ILO, 2013). Recent SLBFE records indicate that around 1,100 licensed agencies operate in the island.

SLBFE in LKA is the primary regulatory body of overseas labour migration from LKA since its establishment in 1985 (MFEPW, 2008). The SLBFE Act identifies the key objectives of the Bureau as the development of markets and promotion of employment opportunities abroad along with providing support services to migrants and licensing recruitment agencies. SLBFE is entrusted with the regulation of licensed employment agencies, training of migrant workers, the protection and welfare of migrants abroad and facilitating reintegration of workers (Gamburd, 2002).

Sub-agents in LKA are informal entities operating at the grass root level, mediating between the licensed agents and prospective migrants with no formal affiliation to the licensed recruitment agencies. Sub-agents perform a role often not possible for main agencies to undertake with their limited resources. A sub-agent may be a villager, a family member or even an outsider. According to the interviewed agencies, about 90% of housemaid recruitments to SAU are channelled via sub-agents. Interviews with stakeholders revealed that there are 100,000-200,000 sub-agents operating in LKA, and licensed agencies often have about five to 10 trusted sub-agents who constantly recruit for them. However, sub-agents are often criticised for engaging in malpractices leading to exploitative and abusive situations of migrants (MFEPW, 2008). Sub-agents also have considerable bargaining power, shopping around with prospective workers to different agencies and demanding higher commissions. The commissions are often given from the lump sum that is set aside for deploying migrants.

FDWs who go to SAU as **Migrants** are mainly in the age range of 30-49 years with relatively low level of education and skills. Majority of these women are married with children, and they are migrating with the aim of improving the financial situation of her household. However, others migrate for non-financial reasons such as to escape an abusive spouse or violence. In SAU, these FDWs perform the tasks of cooking,

cleaning, childminding and other household related activities. The contract period of a housemaid in SAU is generally two years and they receive a monthly salary of about USD 264 (SAR 1,000).

Other players in the VC include the immigration authorities in the two countries, Saudi Arabian Embassy in LKA, Sri Lankan Embassy in SAU, financial institutions, medical centers, *Grama Sevaka* (GS), District Officers (DOs) and migrants family.

5.2 Process and Interactions

The labour migration process for FDW begins with the employer in SAU requesting a foreign employment agency in SAU to find a worker from LKA, in exchange for an upfront payment of USD 4,266-6,132 (SAR 16,000 to 23,000) (Arab News, 2013, 2015; Weeraratne, 2015). Upon evaluating the employer's background, as well as employment facilities and working conditions, the foreign employment agency in SAU contacts agencies in LKA whilst submitting a job order to the LKA embassy in SAU. The Sri Lankan embassy in SAU certifies the job order, and updates same in the SLBFE system. Subsequently, the Saudi agent sends the necessary documents to the Sri Lankan

agents along with a payment of US\$ 4,000-US\$ 5,500 (LKR 523,000-719,125) to cover the recruitment cost in LKA.

The LKA agent submits the same job order to the SLBFE. The Bureau cross checks the information and the recruitment history of the LKA agent and approves the same. Upon approval, the local agency advertises the job to the public via the local newspapers and other media outlets, and prospective FDWs approach the agencies either directly or through a sub-agent. The local agency interviews migrants and matches them with employers by liaising with the foreign agents. Subsequent to paring employers and employees, the local agent and/or sub-agent guide the FDW to acquire relevant documentation/credentials for migration, which include the passport and related photographs; a Family Background Report (FBR)⁷, a Police Report, and medical test at an approved medical center and pre-departure training. All first time domestic workers are required to undergo a 21 day residential pre-departure training programme⁸ and pass the three day National Vocational Qualifications (NVQ) (Level 3) testing. Illiterate applicants are required to undergo a 45-day residential training programme, which includes literacy and the same NVQ training. Those who have migrated within the past 10

years, undergo a shorter seven day refresher training programme.

When documentation is completed, the agency applies for the SAU visa on behalf of the migrant, purchases a one-way airline ticket and finally arranges for signing of the contract at the SLBFE. All terms and conditions of employment are read out and explained to the migrant and her guardian before agreeing and signing the contract. Subsequently, the housemaid is registered with the SLBFE, by paying the necessary Cess along with a contract registration fee.

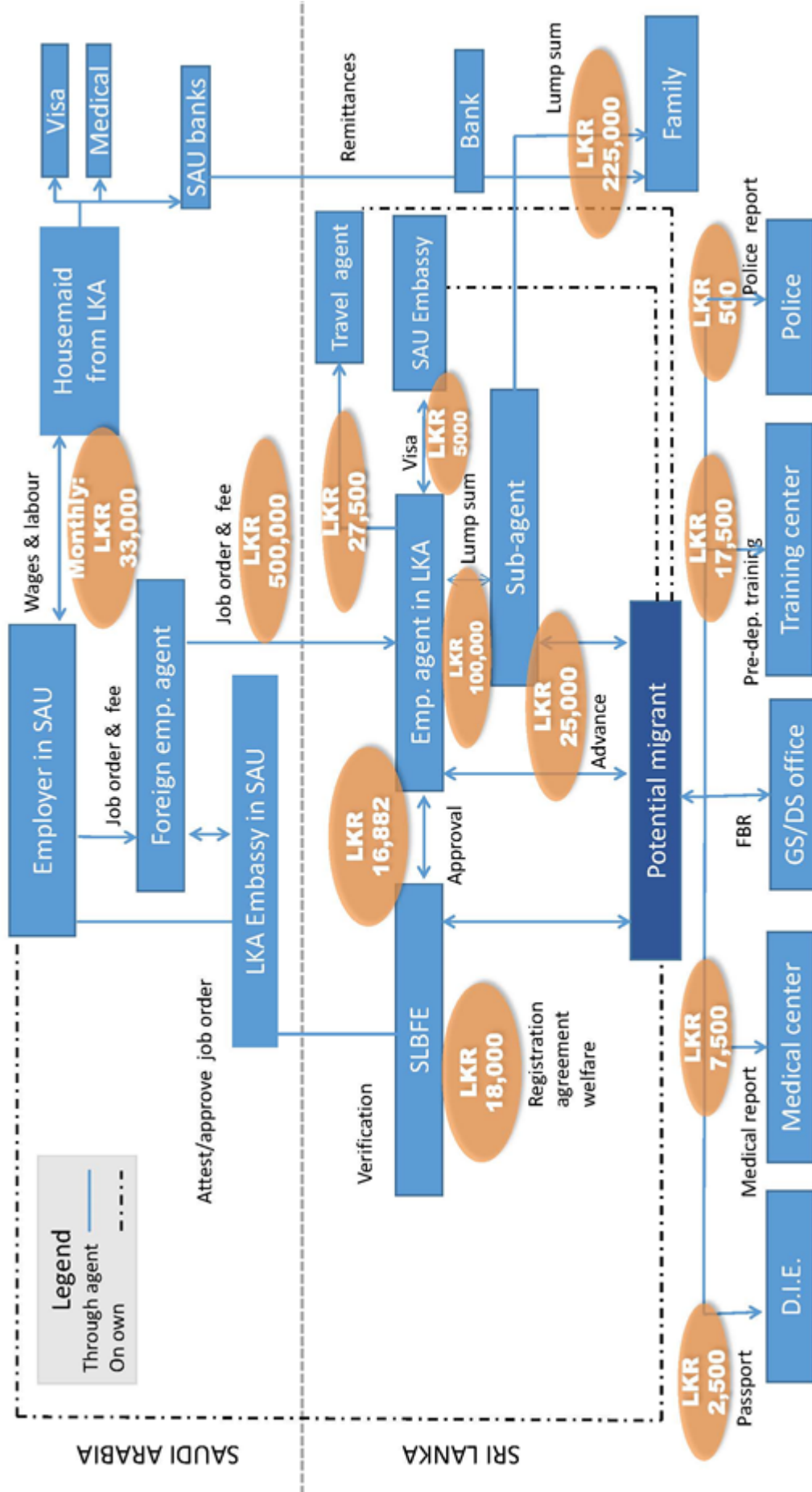
On the date of departure, normally the sub-agent accompanies the FDW to the airport to ensure a smooth departure. Upon arrival in SAU, the FDW undergoes a medical test and gets an ID. Subsequently, the initial three month visa is converted to a two year work visa. All expenses in SAU are borne by the employer.

Contrary to the literature which states a wait period of four to eight months (Arab News, 2013, 2015), for the first time FDWs the entire process takes about 45 days while for experienced applicants who have previously worked in SAU the process takes about one month; the difference being primarily based of varying length of pre-departure training.

⁷ FBR is issued by a Development Officer after FDWs apply for it at the GS office.

⁸ The 21 day training covers language skills in Arabic and English (both speaking & written), training on housekeeping, food preparation, handling of domestic appliances, caring for the elderly and children, personal health and cleanliness, and training on customs and tradition of host countries. However, subsequent to field work was conducted for this study, the duration of pre-departure training was extended from 21 days to 40 days.

Figure 2
VC for FDWs to SAU and Associated Costs



Source: Authors' depictions based on field data.

6. Value Chain for South Korea

6.1 Actors and Functions

The main actors in the VC for KOR are: employers in KOR, Human Resources Development (HRD) Service of KOR, SLBFE, and migrants (Figure 3). The existence of fewer players indicates stricter and streamlined government-to-government process under the EPS (Kim, 2015).

Employers of migrant works from LKA in KOR are manufacturers and include small businesses with no more than 300 employees; these organisations have demonstrated that they have tried but failed to fill these vacancies locally.

HRD in KOR is a public recruitment agency within the Ministry of Employment and Labour (MOEL) which supports foreign workforce employment under the EPS system (Kim, 2015). HRD has established liaison offices in each of the EPS sending countries to monitor the recruitment process, ensuring that its implementation is transparent and free of fraudulent activity. HRD plays a significant role in the integration of migrant workers by conducting an orientation programme prior to departure. It maintains 36 Foreign Workforce Support Centres throughout KOR to ensure that the legal rights of EPS workers are protected along with consulting services. The HRD also facilitates successful reintegration of workers upon their return by organising seminars and educational programmes to aid the worker's re-entry into the domestic job

market (Kim, 2015). According to the HRD office in LKA, the 'Happy Return Programme' was initiated in LKA in 2011 and meetings are held annually with a membership of over 350 members.

SLBFE's involvement in the migration process to KOR is greater than that of the SAU VC, due to the government-to-government nature of recruitment. SLBFE works closely with the HRD and houses the Korean representative within the SLBFE premises to facilitate the migration process.

Migrants to KOR under the EPS are generally males (88% of total migrants to KOR), unmarried (66%), in the age groups of 25-39 years, possessing a secondary education (Kim, 2015). Only a few female workers depart to KOR. In 2013, 98 % of low skilled migrants from LKA to KOR were males, and low skilled workers accounted for 77 % of the total of 6684 departures (SLBFE, 2014).

Other players in the VC include the immigration authorities in the two countries, Korean Embassy in LKA, financial institutions, medical centers, GS language training centers/instructors, Criminal Investigation Division (CID), lawyers, and migrants family.

6.2 Process and Interactions

Low skilled labour migration from LKA to KOR is handled by the SLBFE and HRD. KOR's Foreign

Workforce Policy Committee (FWPC) sets the quota of migrants accepted under the EPS for each category from each sending country. In 2014, a total of 6,684 Sri Lankans migrated for work under the EPS. Such migration to KOR involves many steps and multiple stakeholders in both countries.

The migration process to KOR from LKA normally commences with potential migrant workers taking Korean language classes in LKA. The duration of the class depends on the duration/frequency and instructor, and the necessity to repeat the course depends on the amount of effort the potential migrant makes. These language training classes mainly cover spoken, comprehension and written competencies in Korean language with the aim of passing the Korean language proficiency test (TOPIK). The TOPIK is administered by the SLBFE under the guidelines and involvement of the HRD of the Ministry of Labour in KOR.

The arrangements for TOPIK is initiated by HRD setting a date and time for the examination and issuance of admission, which is advertised by the SLBFE. The general admission details are provided at the 22 SLBFE branches in LKA upon charging an admission fee for those who call over with their passports and duly filled application forms.⁹ Based on admission details gathered by SLBFE, HRD of KOR determines the number of locations required and admission particulars, which are in turn arranged and informed to the applicants by SLBFE. The

⁹ The admission fee is sent to KOR, after which they send US\$6 back to the SLBFE to cover their costs.

examination papers are set in KOR, and are carried to LKA by a delegation from HRD. The examination which lasts for 1.5 hour is conducted by the Korean delegation under the supervision of the Department of Examinations and support of Police in LKA. Upon completion of the examination, the examination papers are sent back to KOR for marking and the results are released via the SLBFE website. The examination results are a score out of 200, for which the qualifying cutoff mark is determined by the HRD subject to demand for Sri Lankan workers.

For those who passed TOPIK, the SLBFE conducts interviews to evaluate and verify their skills, credentials and medical reports provided by identified medical facilities situated in Colombo. The verified information is uploaded to the job market website of HRD of KOR, for Korean employers to select. This website is open only to eligible Korean employers and small businesses¹⁰ which have been granted employment permits from the MOEL (Kim, 2015). Once candidates are selected, the employers prepare a draft contract which is reviewed by MOEL for compliance with Korean labour laws and dispatched for worker's signature through HDR liaison in LKA and the SLBFE (Kim, 2015). Meanwhile, the Korean Immigration authorities are informed for the purpose of granting visas.

The EPS permits migrants workers to work in KOR for three years and a maximum of four years and 10 months. After reading and

understanding the Sinhala translation of the agreement, potential migrants sign the three year work contract agreement for a monthly salary ranging from USD 694-868 (LKR 100,000-125,000) at the SLBFE premises. The contract specifies hours of work per day, number of days of work per week, and facilities provided such as accommodation, meals and medical insurance. Additionally, the SLBFE also bonds the migrant worker for a period of three years to the employer for an amount of LKR 1,500,000. This bond agreement involves two guarantors and two witnesses normally fulfilled by family members. However, as highlighted by Kim (2015, p. 11) *"the EPS workers are now, in principle, allowed to change their workplace however many number of times needed without the permission of the employer if they experience discrimination at work or if their employer violated domestic labour laws or breached"*. In this context, it is unclear about the role of the bond signed in the SLBFE, which ties a worker to a single employer for the entire contract duration.

Other documentation required for the KOR migration process include report from the CID and pre-departure training certificate. The pre-departure training for KOR bound migrant workers is a 10 day residential training programme, covering Korean culture, law, ethics, and language; introduction to banking and handling remittances; health advice; and physical training.¹¹ Upon completion of all requirements and

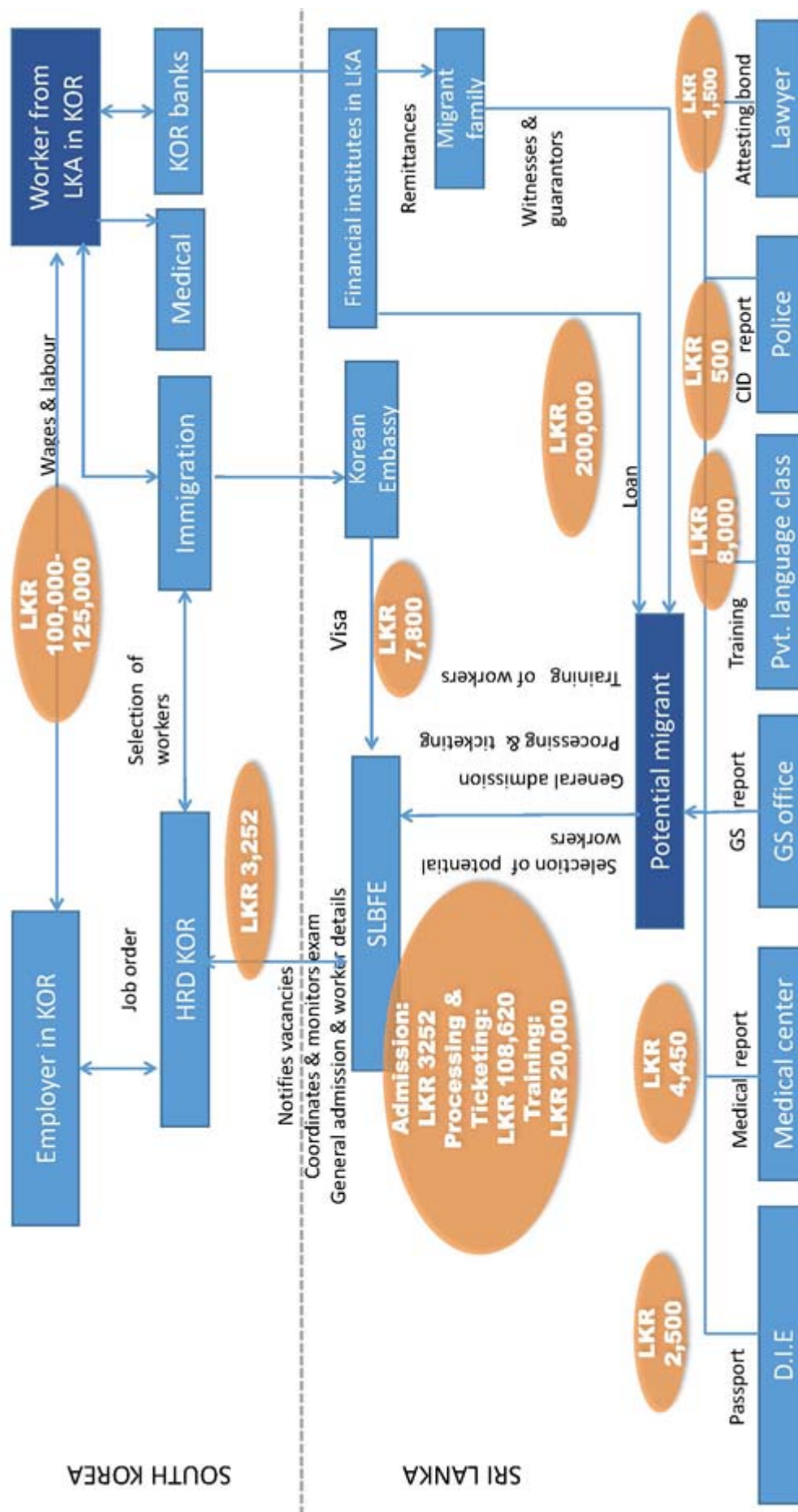
documentation, the potential migrants make necessary payments to the SLBFE. The visa for travel and airline tickets are both handled by the SLBFE. A day or two prior to departure, SLBFE provides a final briefing on what to expect upon arrival in KOR, instructions for departure preparation, and logistical arrangements for departure. By this time some potential migrants have opened Non-Resident Foreign Currency (NRFC) accounts - often through bank branches available in the SLBFE premises, in preparation to remit their savings home. These banks also provide bank loans to cover the cost of migration to KOR.

Upon arrival in KOR, migrant workers are initially granted a three month work visa and taken to the Post-Admission training facility by a representative from the Sri Lankan Embassy in KOR. This three day mandatory post admission training for manufacturing workers covers components of Korean language, Korean culture and customs, Korean immigration, labour and grievance procedure laws, and industrial safety and skills (Kim, 2015). Upon arrival, migrants also undergo a medical test. After completion of these post arrival requirements (financed by the employing company), representatives of employers pick the migrants from the training facility and accompany them to the workplace.

¹⁰ Applicant's employer has less than 300 employees and demonstrated that attempts were made to fill these vacancies with domestic workers.

¹¹ The main SLBFE training center for potential migrants to KOR is situated in Colombo (Athurugiriya), and additional larger training centers are situated in Bogawantalawa and Batangoda.

Figure 3
VC for Low Skilled Migrants to KOR and Associated Costs



Source: Authors' depictions based on field data.

7. Value Chain for Malaysia

7.1 Actors and Functions

Employers of migrant workers from LKA in MAS are predominantly in the manufacturing sector, recruiting machine operators, factory workers, garment factory workers and production operators.

Recruitment Agents in LKA in the VC to MAS play a significant mediation role between employees and employers. Many specialise in MAS and other East Asian countries, and they are registered manpower recruit companies with licenses. Unlike agents in the SAU VC, these agents have closer link with the final employers in MAS, and thus serve as a better intermediary between employers and employees. As such, some agents go to the extent of accompanying migrants to MAS and handing them over to the employer.

KDN in MAS which stands for *Kementerian Dalam Negeri* is the Ministry of Home Affairs in MAS, which is responsible for migrants workers in the country.

SLFE performs the regulatory role like in the other VCs and provides training for MAS bound workers.

Migrants heading to MAS are younger in age compared to migrants in the previous two VCs and include both males and females. These migrants to MAS are selected following an interview with the employer and they undergo tests in mathematics, IQ and general knowledge.

Other players in the VC include sub-agents in LKA and agents in MAS, the immigration authorities in the two countries, Malaysian Embassy and medical centers in LKA. Unlike in the case of the SAU VC, the involvement of sub-agents in LKA is not wide spread in recruiting to MAS. Likewise, the recruitment agents in MAS are not as always involved in the migration process. Only some employers use the services of a recruitment agent in MAS. The MAS VC together with the key actors are mapped in Figure 4.

7.2 Process and Interactions

The migration process of low-skilled Sri Lankan workers to MAS begins with the Malaysian company interested in recruiting Sri Lankan workers, sending a job order with initial worker requirements to a selected recruitment agency in LKA. This is done either directly by the company or via a foreign employment agency in MAS. Once the job order is received, the representatives of the agency in LKA visit the companies/factories in MAS to inspect the working conditions and accommodation facilities. Following the visit by the Sri Lankan agency, the relevant job order is submitted by the Malaysian company/agency to the Sri Lankan Embassy in MAS. The job order submission includes: documentation on Power of Attorney, Demand Letter for recruitment of foreign workers from LKA, Employment Contract, Affidavit, Agreement Letter, Approval from Immigration Office

and KDN approval. The KDN approval is obtained by the company confirming the need to hire foreign workers, and this approval is valid for one year. Before the approval of the job order, if deemed necessary the Sri Lankan Embassy officials visit the company and examine the factory facilities, and work and accommodation conditions. This approval process by the Sri Lankan Embassy takes about two weeks.

Once the company/Malaysian agent receives the LKA embassy approval, the approved job order together with the approved documents are sent to the agency in LKA. The Sri Lankan agency submits all necessary forms and documents including a photocopy of the job order to the SLBFE. The SLBFE processes the job order and approves it, subject to all the documents are in place. Once the job order is approved by the SLBFE, the local agent advertises the vacancies via newspapers and television advertisements. Prospective workers contact the agency directly or indirectly through a subagent.

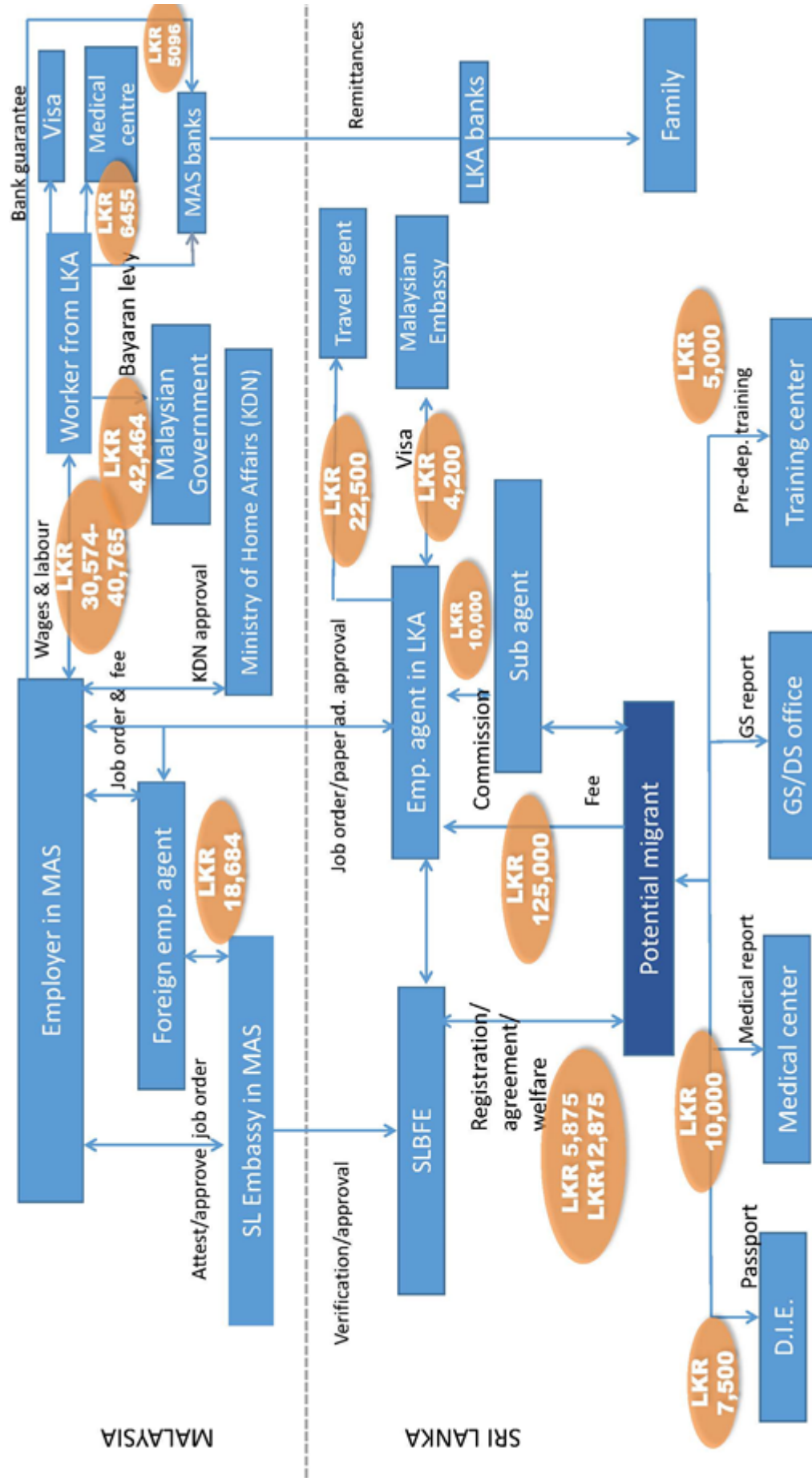
The selection of workers is carried out by the local agency together with the Malaysian company representatives who visit LKA for this purpose. Normally about two individuals represent the Malaysian employer and stays in LKA for about four days to cover the selection process, which generally includes an interview, a written exam, which tests the applicants' math, general knowledge and IQ competencies, and a physical fitness test. Following the interviews and tests, the applicants

are selected, rejected or added to a 'keep in view' list. The selected applicants are then required to undergo a medical test at a designated medical lab in Colombo. The reports of these medical tests are directly submitted online to the Malaysian Immigration, while copies are also sent to the Malaysian company or the foreign agency. Once an employee is matched with an employer, the Sri Lankan agency registers the worker with the SLBFE, while the Malaysian company obtains an approval from the KDN for each worker. Along with this KDN approval the Sri Lankan agency submits the visa application to the Malaysian Embassy in LKA on behalf of the worker, and a temporary work visa is stamped by the Embassy, which is extended to a full work visa once the workers arrive in MAS and undergo a medical testing.

The selected workers also have to undergo a mandatory five-day training programme conducted by the SLBFE prior to departure. Some attend this training while traveling daily from home and others chose to find accommodation close to the training center. Following the training and the completion of all the documentation, the migrant workers sign a contract agreement at the SLBFE in the presence of a parent or guardian. This contract stipulates all terms and conditions of the job, which is for a period of generally three years. Arrangements for accommodation, which is provided free of charge or at a nominal fee is outlined in the contract. However, workers are required to provide for their own meals (i.e. buy or prepare their own food). Prior to the signing of the agreement at the SLBFE, some agencies organise a meeting to

brief the workers and their families on the nature of the job and the contract. Similarly, some agents in LKA (not all) accompany the migrants to MAS. Upon arriving in MAS, the workers have to take another medical test. If the test results are satisfactory, a one year work permit is given along with the possibility of extending their visa. The workers need to undergo a medical test annually in order to renew the work permit. The length of time from start to departure of a migrant to MAS varies from one to three months depending on when the potential migrant takes the exam, which is part of the selection process. However, the documentation and approvals generally take about one month to process.

Figure 4
VC for Low Skilled Migrants to MAS and Associated Costs



Source: Authors' depiction based on field data.

8. Comparison of Migration Costs in VCs

There are a number of costs associated in the migration process at different points in three VCs involving different actors. This section compares and analyses the costs associated with each of the three VCs mapped and discussed above. Initially, the financial costs associated with the three VCs are discussed followed by the opportunity cost involved.

8.1 Financial Cost of Migration to SAU

According to the FDGs and KIIs, the entire cost of recruiting a migrant worker from LKA to SAU is financed by the upfront payment provided by the employer in SAU.

As such, a FDW from LKA does not have to personally bear any financial cost to migrate to SAU (see column 2 of Table 3).¹²

As a result, none of the interviewed migrants to SAU had taken any bank or personal loans, contrary to the literature. Moreover, the SLBFE specifies a 'zero chargeable' recruitment cost meaning that the foreign employment agencies are not allowed to charge migrants to finance the recruitment process. This policy was introduced in 2008/2009. Even prior to the introduction of this policy, since 1977 employers in SAU have been making recruitment related payments to LKA agents through

agents in SAU. However, the benefit had not trickled down to migrants until the pre-departure training became mandatory in 1996 and potential migrants became better informed about the migration process and payments made by the employers.

As shown in the last row of Table 3, the total cost of moving a FDW from LKA to SAU for employment amounts to a total of USD 3,506 (LKR 504,882). This includes incentives to migrant's family, commission to agents and sub-agents, administrative and regulatory fees to the SLBFE, and cost of fulfilling the documentary requirements and amassing

Table 3
Cost Components to Migrate to SAU for Housemaids

Component	From	To	Amount (LKR)
Passport	Agent/Migrant	DIE	2,500
Photos for passport	Agent	Studio	500
Training	Agent	SLBFE	26,500
Medical report	Agent	Medical center	7,500
Visa fee	Agent	Saudi Embassy	5,500
Registration fee	Agent	SLBFE	18,000
Facilities fee	Agent	SLBFE	5,882
Cess	Agent	SLBFE	5,000
Contract registration	Agent	SLBFE	6,000
Air ticket	Agent	Travel agent	27,500
Cash advance to cover misc. transport	Agent	Migrant	25,000
SUB TOTAL			129,882
Lump sum	Agent	Migrant's family	225,000
Lump sum	Agent	Sub-agent	100,000
Agency fee	Agent	Agent	50,000
TOTAL			504,882

Source: Authors' tabulations based on field data.

¹² When the upfront incentive received by the migrant is taken into consideration, her migration cost could be identified as a negative cost.

credentials. When lump sum payments to migrant's family and sub-agent are excluded, the subtotal is USD 902 (LKR 129,882). This includes the cash advance paid out to migrants, mainly to finance miscellaneous travel expenses related to fulfilling requirement for migration. The necessity to travel multiple times to meet recruitment agents, SLBFE and training centers contribute to increase this miscellaneous travel cost.

As seen in Figure 5, the biggest share of this subtotal is paid out to the SLBFE (nearly 50 %) under different cost items (registration fee, facilities fee, Cess, contract registration, training). Among payments to the SLBFE, the charge for pre-departure training accounts for the largest share. One of the reasons for high pre-departure training cost is the monopoly maintained by the SLBFE training centers with a near absence of private training centers. The few private training centers which are operating in the island, are rarely used by potential migrants. However, the SLBFE control over training centers ensures similar standards and

quality across the training centers and programmes provided. Among other payments to the SLBFE, there is limited clarity about the purpose of different payments. For instance, migrants do not understand the difference between the facilities fee of USD 41 (LKR 5,882), registration fee of USD 125 (LKR 18,000), contract registration fee of USD 42 (LKR 6,000) and the Cess of USD 35 (LKR 5,000) charged. Greater transparency of how and for what purposes these fees are utilised would contribute to lowering costs of recruiting FDWs.

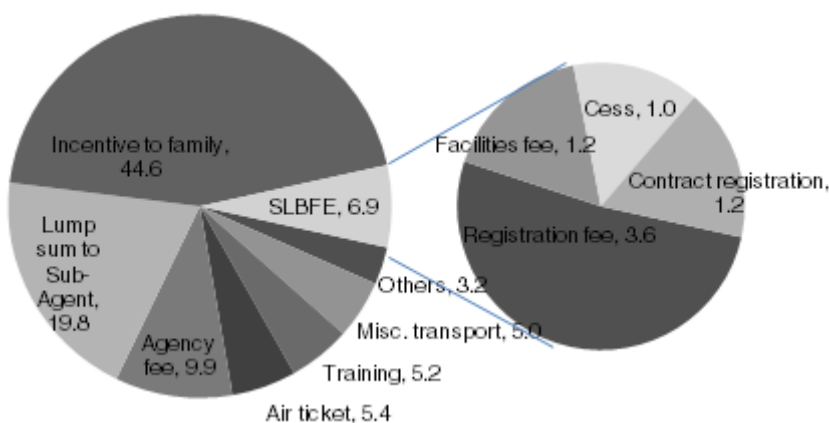
Other costs include USD 24 (LKR 3,500) for passport, photographs and related expenses, an administrative fee of USD 3.47 (LKR 500) to obtain a Police Report, and USD 52 (LKR 7,500) to perform the medical test. However, ILO (2013) notes that the issuance of medical certificates for the Gulf Cooperation Council (GCC) countries by a limited number of medical clinics, inconveniences the prospective migrant worker and the recruitment agency, disturbs the speedy migration process, and violates the fundamental rights of a recruiter or a migrant worker to

obtain such a medical report from any registered medical clinic (ILO, 2013). Nonetheless, participants in the FGD for SAU did not have any reservations or concerns about the few referred facilities to obtain medical reports for SAU. Another required document for FDW is the Family Background Report (FBR), which is issued free of charge. However, literature and a number of stakeholders have raised concerns about the FBR leading to informal charges and solicitations by officials (IPS, 2015; UN, 2015). Nonetheless, migrants interviewed for this study had not encountered any such issues. The visa fee for SAU is USD 35 (LKR 5,000), while the cost of purchasing a one-way airline ticket to SAU is USD 174-208 (LKR 25,000- LKR 30,000).

In terms of lump sum payments, a housemaid to SAU receives about USD 2,430 (LKR 350,000) as an incentive from the agency. However, if there is a sub-agent involved, the lump sum the FDW receives is much less - around USD 1,736 (LKR 250,000) with the balance USD 694 (LKR 100,000) going to the sub-agent as a commission. The incentive payment to the migrant is disbursed to her family often only once she is en-route to SAU.

All these payments are financed from the initial USD 4,000-USD 5,000 the local agency receives from the Saudi Arabian agency and borne by the employer in SAU.

Figure 5
Composition of Costs in SAU VC



Source: Authors' calculations based on fieldwork.

8.2 Financial Cost of Migration to KOR

Qualitative findings of the study reveal that the total cost for seeking employment in KOR ranges from USD 1,736- 2,777 (LKR 250,000-400,000) and the process takes seven months to three years (depending on the level

of effort exerted to pass TOPIK by the migrant). Table 4 depicts the average cost of migration to KOR for manufacturing sector jobs. As seen in Column 2 of Table 4, in the migration process to KOR, the migration cost incurred in LKA is borne entirely by the migrants themselves, contrary to the housemaids sent to SAU. Among recipients of these payments by the migrants, the largest share goes to the SLBFE (63%). The cost to SLBFE of USD 814 (LKR 117,220) includes USD 330 (LKR 47,500) for one way air ticket, USD 344 (LKR 49,500) for Welfare and Promotion fee, USD 40 (LKR 5,733) for SLBFE processing charges, USD 41 (LKR 5,887) for SLBFE Registration fee, USD 54 (LKR 7,800) for Visa fees and USD 5.55

(LKR 800) for departure attire. As in the case of the costs to SAU, it is difficult to differentiate the costs associated with registration, processing, and welfare and processing fees paid in the process to migrate to KOR. Additionally, the pre-departure training fee of USD 139 (LKR 20,000) is also paid to the SLBFE. This covers the cost for food, lodging and course fees while an additional USD 21- 28 (LKR 3,000-4,000) is spent to purchase the required supplies (i.e clothing, linen, toiletries for personal use).

Another important cost component of the KOR VC is the fee paid for language training. The SLBFE (2016) has taken steps to conduct Korean language training for

prospective Korean jobseekers island wide. These training programmes are conducted for twelve days full time and it covers a minimum of 100 hours of teaching. The SLBFE has recruited 32 local Korean language teachers and they have been provided with required training to develop their teaching skills and provided with lesson plans and syllabus. However, the Korean language training is not adequately regulated and this leads to different programme durations and fee structures. For instance, one FGD participant paid USD 69 (LKR 10,000) while another paid USD 111 (LKR 16,000). These differences in the fees paid for Korean language training is based on instructors' and potential migrants' requirements,

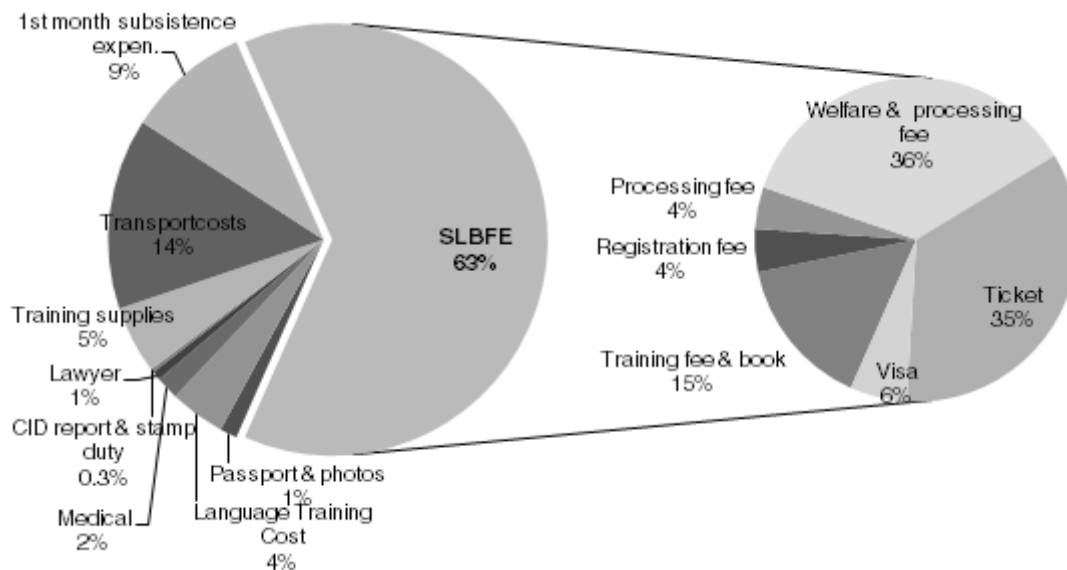
Table 4
Cost Components to Migrate to KOR

Component	From	To	Amount (LKR)
Passport & photos	Migrant	Other	2,800
Language training *	Migrant	Pvt. class	8,000
Language book	Migrant	Pvt. class	1,000
Medical*	Migrant	Medical center	3,750
Lawyer Av.*	Migrant	Lawyer	1,500
Stamp duty for CID report	Migrant	Police	50
CID report	Migrant	Police	500
Training supplies*	Migrant	Misc. stores	11,000
Training fee	Migrant	SLBFE	20,000
Book	Migrant	SLBFE	750
Registration fee	Migrant	SLBFE	5,887
Processing fee	Migrant	SLBFE	5,733
Welfare and processing fee	Migrant	SLBFE	49,500
Ticket	Migrant	SLBFE	47,500
Visa	Migrant	SLBFE	7,800
Misc. transport*	Migrant	Misc. transport providers	25,000
Airport transport*	Migrant	Misc. transport providers	6,000
1st month subsistence expenses	Migrant	Migrant	20,000
TOTAL			216,770

Source: Authors' tabulations based on field data.

Note: * Average value based on qualitative data gathered.

Figure 6
Composition of Costs in KOR VC



Source: Authors' calculations based on field data.

the frequency of classes, the duration per lesson and overall duration of the course.

Similar to the case of SAU, there are also miscellaneous travel costs which account for nearly 20% of the total cost of migration. Main reasons for high miscellaneous travel cost include repeated visits to the CID, the SLBFE as well as extended duration in language training courses.

Other costs include the fees to prepare a passport and obtain related photos (USD 19, LKR 2,800), admission fee for TOPIK (USD 23, LKR 3,250)¹³, payments for medical testing (USD 21-31, LKR 3,000-4,500) legal fees to attend the bond imposed by the SLBFE (USD 7, LKR 1,000). However, there is legal service provided by the Ministry of Labour, where the bond could be attested free of charge. Relative to other

costs associated with the VC to KOR, the direct cost of obtaining a CID Report is small (USD 3.5, LKR 500). Despite the direct cost of the Report being low, actually obtaining a CID Report involves more time, effort and expenses, as the CID only accepts 300 applications a day. Hence, to secure a spot within the first 300, some potential migrants in the FGDs noted that they had to arrive at the CID as early as 3 a.m. and queue, while one FGD participant had checked into a room at a guest house close by to the CID office, at the cost of USD 14 (LKR 2,000) to ensure he was first in line. Additionally, unlike in the case of FDW to SAU, manufacturing workers to KOR are advised to carry approximately USD 139 (LKR 20,000) to cover first months' subsistence expenses in KOR.

The average cost of migration to KOR excluding the language

training amounts to approximately USD 1,389 (LKR 200,000) and banks provide this amount in a loan to be paid back in monthly installments over a period of two years at the annual rate of approximately 10%.

8.3 Financial Cost of Migration to MAS

In the MAS VC, costs are borne by three main actors - migrant, agent in LKA and employer in MAS. As seen in the top panel in Table 5, the migrant has to prepare the passport (USD 17, LKR 2,500), pay for medical testing (USD 69, LKR 10,000), SLBFE registration (USD 41, LKR 5,875 for males and USD 89, LKR 12,875 for female), visa fees (USD 29, LKR 4,200) and an agency fee. The total fee charged by the agency is capped at USD 868 (LKR 125,000) by the maximum chargeable regulations of

¹³ The admission fee is sent to KOR, after which they send US\$6 back to the SLBFE to cover their costs.

Table 5
Migrant's Costs to MAS

Component	From	To	Amount (LKR)
Agency fee	Migrant	Agency	125,000
Medical report	Migrant	Medihouse/Medical centre	10,000
Passport	Migrant	D.I.E	2,500
Visa	Migrant	Malaysian Embassy in SL	4,200
Registration fee (SLBFE)	Migrant	SLBFE	5,875 (male) 12,875 (female)
SUB TOTAL IN LKA			154,575 (female) or 147,575 (male)
<i>Bayaran levy</i>	Migrant	Malaysian Government	42,464
Medical test in MAS	Migrant	Medical Centre (MAS)	6,455
SUB TOTAL IN MAS			48,919
TOTAL			203,494 (female) or 196,494 (male)

Source: Authors' tabulations based on field data.

the SLBFE, and migrants normally have to pay about USD 486 (LKR 70,000) at the time of collecting the visa. A female migrating to MAS has to bear a total cost of USD 1,073 (LKR 154,575) while for a male the cost is USD 1,024 (LKR 147,575).

In addition to the costs borne in LKA, the *Bayaran levy* and the cost of a medical test in MAS are also borne by the migrant. In practice, the Malaysian company generally pays the levy on behalf of the worker and a fixed amount is deducted from the worker's monthly salary, while upon arrival in MAS the workers have to take another medical test which costs about USD 43 (RM 190).

In the MAS VC, the costs borne by the agent in LKA involves two types of costs - costs that can be easily attributed to a single migrant (see top panel of Table 6) and cost per batch of recruits (see bottom Panel of Table 6). Out of the USD 868 (LKR 125,000) fee collected by the agency in LKA, the agent spends USD 139-174 (LKR 20,000- LKR 25,000) for a one way air ticket for the migrant, USD 69

(LKR 10,000) to the sub-agent if one is involved in the recruitment process, and another USD 35 (LKR 5,000) to the SLBFE for the migrant's training, which totals to USD 260 (LKR 37,500). Out of the remaining USD 608 (LKR 87,500), the agent is required to cover all batch level costs and retain a profit for his business.

Due to the agents' significant involvement in the recruitment process and its related ground work, unlike in the VC for SAU, here the agents bear additional costs. Specifically, the local agent's visit to the employment company in MAS cost approximately USD 1,389 (LKR 200,000), while hosting the Malaysian employer in LKA costs about another USD 1,389 (LKR 200,000). Additionally, the local agent spends about USD 55-174 (LKR 8,000 - 20,000) to organise the logistics for the interviews, and approximately another USD 174 (LKR 8,000) to organize a meeting just before departure to brief the workers and their families on the nature of the job and the contract. Moreover, some agents in LKA, also go to the extent of accompanying the

migrant workers to MAS, which again is a batch wide cost incurred by the agent.

The nature of these costs, which are a fixed cost to the batch of migrants, limits this component of the cost being directly transferred to the potential migrant workers. However, if a batch of recruits is large enough, the agency fee charged from migrants would be sufficient to cover these expenses incurred by the agent. If not, a significant part of these costs have to be absorbed by the agent in LKA, with the hope that the rapport and reputation built with the employer over subsequent batches of recruits will eventually pay off these costs.

Similarly, employer in MAS also bears certain costs to recruit a migrant worker from LKA. Specifically, to submit the job order to the Sri Lankan embassy in the MAS, Malaysian company/foreign agent makes a payment of USD 114 (RM 500), spends USD 34 (RM 150) to obtain a bank guarantee as an insurance on behalf of each employee who passes the medical test, pay a

Table 6
Sri Lankan Agents' Other Expenses in Sending Migrants to MAS

Component	From	To	Amount (LKR)
Sub-agent commission	Agency	Sub-agent	10,000
Airline ticket (one-way)	Agency	Travel agent	22,500
Training	Agency	SLBFE	5,000
Company visits	Agency	Travel agent	200,000
Paper advertisement	Agency	Newspaper Company	49,000
Hosting the foreign delegation	Agency	Transport/food provider	200,000
Booking of halls for interview	Agency	Hiring company/individual	24,000
Meeting with migrants' families	Agency	Hiring company/individual	8,000

Source: Authors' tabulations based on field data.

levy of USD 286 (RM 1,250) per worker per year to the Malaysian government (referred to as the 'Bayaran levy') and another USD 183-229 (RM 800-1,000) per worker to obtain an approval from the KDN for each worker hired.

The contract period for a low-skilled worker to MAS is generally three years and the monthly wage being in the range of USD 206- 275 (RM 900-RM 1,200). In MAS, there is a minimum wage of USD 206 (RM 900) per month, which serves as the lower limit in the range of

monthly salaries drawn by Sri Lankan workers. Most employment contracts include accommodation free of charge. In some, accommodation is provided at a nominal fee of about USD 11 (RM 50), which is deducted from the salary. Workers generally have to buy or prepare their own food.

In order to help potential migrants finance the cost of migration to MAS, the SLBFE has MOUs with financial institutions (i.e. The Finance) which allow migrants to apply for pre-departure loans. The

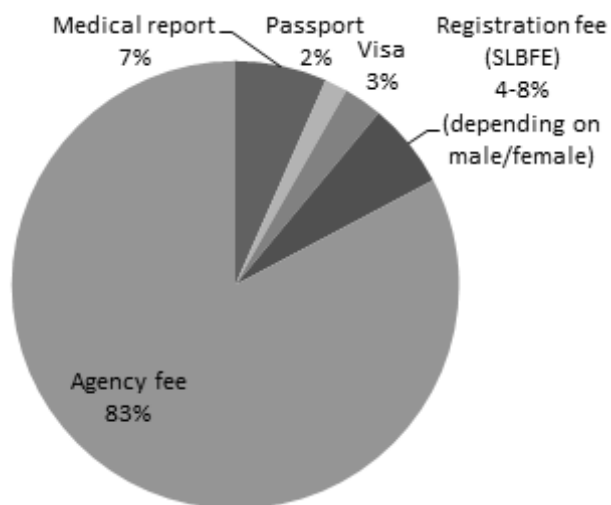
maximum amount loaned to a worker depends on factors such as the maximum chargeable amount approved by the SLBFE for the particular job and the worker's income. Payback period offered by The Finance is around 18 months and the current interest rate charged is 18 %. While collaterals are not required, the loan application needs to be submitted jointly with a family member or a guardian with two guarantors having to sign it.

Table 7
Malaysian Employers' Expenses in Recruiting Sri Lankan Migrants to MAS

Component	From	To	Amount (LKR)
Job order submission	Company (MAS)	Sri Lankan Embassy in MAS	18,684 (RM 500)
Bank guarantee	Company (MAS)	MAS bank	5,096

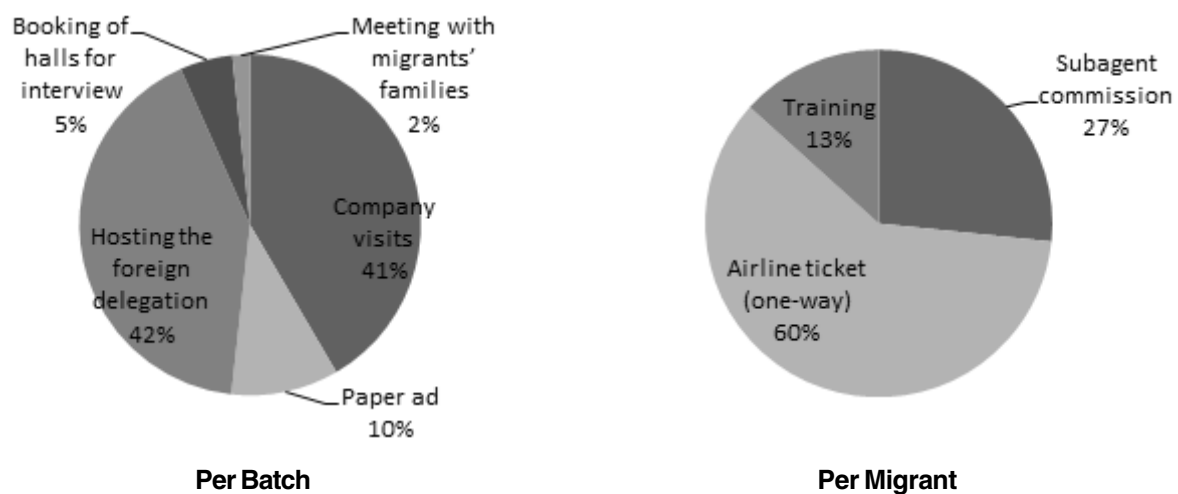
Source: Authors' tabulations based on field data.

Figure 7
Composition of Costs Borne by the Migrant in MAS VC



Source: Authors' calculations based on field data.

Figure 8
Composition of the Cost Borne by the Agency in MAS VC



Source: Authors' calculations based on field data.

Table 8
Synthesis Table of Recruitment Costs for SAU, KOR and MAS

Destination	Component	From	To	Amount (LKR)
SAUDI ARABIA	Passport	Agent/Migrant	DIE	2,500
	Photos for passport	Agent	Studio	500
	Training	Agent	SLBFE	26,500
	Medical report	Agent	Medical center	7,500
	Visa fee	Agent	Saudi Embassy	5,500
	Registration fee	Agent	SLBFE	18,000
	Facilities fee	Agent	SLBFE	5,882
	Cess	Agent	SLBFE	5,000
	Contract registration	Agent	SLBFE	6,000
	Air ticket	Agent	Travel agent	27,500
	Cash advance	Agent	Migrant	25,000
	Lump sum	Agent	Migrant's family	225,000
	Lump sum	Agent	Sub-agent	100,000
	Agency fee	Agent	Agent	50,000
	TOTAL			504,882
SOUTH KOREA	Passport	Migrant	DIE	2500
	Passport & photos	Migrant	Other	2800
	Language training *	Migrant	Pvt. class	8,000
	Language book	Migrant	Pvt. class	1,000
	Medical*	Migrant	Medical center	3,750
	Lawyer Av.*	Migrant	Lawyer	1,500
	Stamp duty for CID report	Migrant	Police	50
	CID report	Migrant	Police	500
	Training supplies*	Migrant	Misc. stores	11,000
	Training fee	Migrant	SLBFE	20,000
	Book	Migrant	SLBFE	750
	Registration fee	Migrant	SLBFE	5,887
	Processing fee	Migrant	SLBFE	5,733
	Welfare and processing fee	Migrant	SLBFE	49,500
	Ticket	Migrant	SLBFE	47,500
	Visa	Migrant	SLBFE	7,800
	Misc. transport*	Migrant	Misc. transport providers	25,000
	Airport transport*	Migrant	Misc. transport providers	6,000
	1st month subsistence expenses	Migrant	Migrant	20,000
	TOTAL			216,770
MALAYSIA	Agency fee	Migrant	Agency	125,000
	Medical report	Migrant	Medical centre	10,000
	Passport	Migrant	D.I.E	2,500
	Visa	Migrant	Malaysian Embassy in SL	4,200
	Registration fee	Migrant	SLBFE	5,875 (male) 12,875 (female)
	Bayaran levy	Migrant	Malaysian Government	42,464
	Medical test in MAS	Migrant	Medical Centre	6,455
	TOTAL			203,494 (female) 196,494 (male)

Source: Authors' tabulations based on field data.

Note: * Average value based on qualitative data gathered.

9. Opportunity Costs to Migrate

In addition to financial cost, all three VCs involve significant yet unquantifiable, opportunity cost to migrants, due to the duration of the migration process. For instance, one FGD participant from the SAU VC had given up her job in the manufacturing sector in LKA to pursue a job in SAU. Such lost income contributes to opportunity cost related to the recruitment process for foreign employment. Additionally, the necessity to make multiple visits to the SLBFE, the employment agency, or to obtain police report as well as the need to visit multiple entities (medical center, GS, and training center, etc.,) further contribute to increasing this opportunity cost. For instance, one FGD participant mentioned that he had to make 11 visits to the CID to inquire about

the status of his report. Similarly, a female member of a FGD indicated the necessity to travel multiple times to the SLBFE on different days to accomplish specific tasks such as contract signing and pre-departure briefing. Given that this potential migrant resided in Matara (160 kms away from Colombo), she had to spend a considerable amount of money, time and effort to meet these requirements.

In addition to the opportunity cost in LKA, another dimension is the foregone higher income earned if migrants were able to migrate sooner and be employed in their respective destination (SAU, KOR, or MAS). The length of the migration process contributes to increase the time to depart to the destination. This study finds that for

a first time FDW, the entire process takes about 45 days while for experienced applicants who have previously worked in SAU, the process takes about one month; the difference is primarily due to the mandatory training period. As depicted in the Figure 9, pre-departure training programmes for FDW at different training centers of the SLBFE start almost simultaneously. As such, migrants have less flexibility in choosing a pre-departure training programmes that will enable them to limit the time spent on the migration process and its related opportunity cost.

The duration of the migration process estimates for KOR are more complex than for SAU due to the language training programme.

Figure 9
Pre-departure Training Schedule related to FDW to SAU

 Training Schedules SRI LANKA BUREAU OF FOREIGN EMPLOYMENT								
Middle East (21 days)						Training Fees : Rs.4376 VAT : Rs.536 NBT : Rs.88 Total : Rs.5000		
	Centre	Start Date	End Date	Language	Programme No	Maximum No of students permitted	No of Registered students	No of Vacancies
1	KADAWATHA	13/01/2016	02/02/2016	Sinhala	ME 1640	25	0	25
2	KALMUNAI	15/01/2016	07/02/2016	Tamil	KM/TR/HM/325/2015	25	0	25
3	KANDY	13/01/2016	02/02/2016	Sinhala	ME/S/01/KAN/2016	25	0	25
4	MEEGODA	12/01/2016	01/02/2016	Sinhala	ME/S/123	25	0	25
5	MEEGODA	20/01/2016	09/02/2016	Sinhala	ME/S/124	25	0	25

Source: SLBFE, 2016.

On average the process takes seven months to three years (depending on the level of effort exerted to pass TOPIK). One FGD participant in KOR VC had spent over eight years to secure his ideal job in KOR. However, as he was not involved full time in pursuing employment in KOR, he had attended language classes while being employed in LKA and had sat for the exam several times before passing. Even subsequent to passing the exam, he had been selective in taking up employment offers in KOR. For instance, he has forgone employment job opportunities in the fisheries sector

in KOR until he received an offer in the manufacturing sector which was considered less arduous than going out in the sea. As such, his opportunity cost was minimal. Similar to the case of pre-departure training for FDW to SAU, for manufacturing workers to KOR there is no flexibility in enrolling in a training programme urgently, if required. Training programmes for KOR are only held in the Athurugiriya training center, while Batangoda and Bogawantalawa training centers are made available only if the number of trainees exceeds the capacity of the Athurugiriya center.

KIIs with returnees and agents to MAS revealed that the SLBFE pre-departure training offered to migrants to MAS is geared more towards the Middle Eastern recruits. One of the returnees mentioned that they were taught Arabic, Hindi and Tamil at the training whereas their communication with the employer was in English. The training was not targeted to the needs of the country, resulting in an opportunity cost, especially to those travelling long distances to get to the training centre.

10. Conclusion and Recommendations

The mapping of the VC for low skilled migration to SAU, KOR and MAS highlighted the conceptual framework and emphasised institutional and administrative inefficiencies that contribute to higher migration costs.

The three VCs discussed above have many similarities as well as unique features. The main similarity is the significant involvement of the SLBFE in all three processes and the related pre-departure training and other formalities. However, the emphasis on pre-departure training is relatively less in the MAS VC as compared to that of SAU and KOR. This concern was aptly raised during KIIs. Interviews with Sri Lankan agencies indicate that there is a high demand for workers in MAS (i.e. demand for about 1000 workers per month according to one agent). Given the high potential of this destination, agents feel that the training given to migrant workers to MAS is insufficient. At the time of field work, the five-day training program provided to MAS bound workers was the common training offered to all non-domestic workers heading to any countries. As such, both workers to SAU and MAS are trained together. However, actors in the VC felt that Malaysian workers need a training similar to that is provided for migrants to KOR as the nature of work in MAS requires them to be physically fit and endure long working hours.

The recruitment process for SAU and MAS have similarities in terms of the heavy involvement of agents in LKA. However, unlike in the MAS VC, the SAU VC gives a

significant weight to sub-agents in LKA, while in the MAS VC the foreign employer plays an important role in worker selection in LKA. Moreover, in the MAS VC, the foreign employer and the agent in LKA have close interactions with the aim to build a long term relationship and rapport. The agents in the MAS process appear to be more actively involved in the wellbeing of the migrant worker, compared to the agents in the VC for SAU. Contrary to both the VCs for SAU and MAS, the VC for KOR has very few players involved due to being a government-to-government process, which has streamlined the migration process.

The remainder of this section focuses on recommendations to lower migration cost and the time taken to depart for foreign employment.

Converting Upfront Incentive into a Higher Monthly Salary and Benefits Package

The findings of this study reinforce the existing estimates on the cost of sourcing FDW from LKA. For instance Arab News (2013, 2015) and Weeraratne (2015) note that recruitment cost for a Sri Lankan FDW in SAU is USD 4,222 to 5,270 (SAR 16,000 to 23,000). Similarly, this study finds that excluding the fees for agent in SAU, the recruitment cost in LKA amounts to about USD 3,472 (LKR 500,000). Nonetheless, this recruitment cost for Sri Lankan FDW is not very competitive, as the comparable cost for a FDW from the Philippines - LKA's closest competitor, is a much lower USD 3,694-5,013 (SAR 14,000-SAR 19,000) (Arab News, 2013, 2015).

The monthly salary of Sri Lankan FDW in SAU is approximately USD 237 (SAR 900), while Filipino workers earn a much higher USD 396 (SAR 1,500). As such, it would be beneficial to minimise the recruitment cost borne by the employer in SAU by converting the upfront incentive paid to the migrant and family into a higher monthly salary and benefits package. Such monthly disbursement of incentives reduces the high cost of sourcing workers and staggered disbursement of same encourages workers to work for a longer period of time. Additionally, lower upfront payment minimises the risks to the employer having to pay upfront for an unseen worker who is scheduled to arrive in four to eight months. Moreover, this also addresses the adverse implication due to employers feeling they 'own' migrant workers as a result of the high investment made (Open Working Group on Labour Migration and Recruitment, n.d.).

Reduce Opportunity Cost to Migrate

Contrary to the long wait time of four to eight months established in media (Arab News, 2013, 2015) this study finds that the average wait time is much less at 30-45 days. The findings of this study shows that wait times in LKA are more consistent with the lower bound estimates for the Philippines (20 days to six months) cited in Arab News (2013, 2015). From the employer's viewpoint, a longer wait time for a migrant worker to arrive in SAU increases the opportunity cost of the money already invested in the process. As such, it is important to explore

measures to minimise the wait time for Sri Lankan migrant workers to SAU. One important way to minimize the wait time is to reduce the number of visits/interactions by potential migrant with key players. Presently the VC to SAU involves many actors. By combining two or more functions or services provided by stakeholders, time to departure can be reduced. For example, in order to reduce the time and opportunity cost borne to acquire credentials/documentation, the best solution is to house two or more facilities in the same location. An ideal candidate for this is to house a medical center at the training center or arrange for a mobile medical unit to visit the training center on first day of each training to carry out the medical testing. This will reduce both the financial and opportunity cost of migrants going to two places.

Amalgamation of Functions of Sub-agent to Agent and Streamlining the Migration Process

It is important to note that changes to certain aspects of the migration process of housemaids to SAU would not lead to decreasing the recruitment cost for employer. Specifically, reduction in costs in LKA would not feed upstream to reduce the upfront payment to employers. Likewise, other suggested changes would also reduce the cost borne by stakeholders in LKA, but not necessarily mean that the migrant would receive a higher incentive payment. It is most likely that the middle men in this VC would benefit, rather than the migrant or the employer.

In this context, a viable option is to amalgamate the function of sub-

agent to agents and streamlining the migration process. As noted in HRW (2007) and Open Working Group on Labour Migration and Recruitment (n.d.), the operation of sub-agents is unregulated and informal leading to many issues stemming from asymmetry and inaccuracy of information. The layer of sub-agents is established within the migration industry to increase the penetration of agencies to the grass root level. Along with this, the sub-agents also perform a function of facilitating the migrant in the migration process by accompanying her to training centers and obtaining visa, assisting in acquiring required documentation etc. In order to decrease the length of the VC, the sub-agents' functions can be transferred to agents and migrants by the SLBFE and the MFE by increasing awareness of potential migrants about the possibility to directly approach agents through the use of media and development officers in the locality. The government institutions together with the ALFEA could work together to enhance the trust a potential migrant places on an agent, so the need for a sub-agent is minimised. Moreover, sub-agents can be brought under agencies to improve their accountability by limiting the number of sub-agents working for a given recruitment agent. Additionally, decentralising the operation of the SLFBE to regional offices would increase the possibility of migrants navigating the migration process with their own family members instead of relying on the services of a sub-agent.

Medical Tests

As noted ILO (2013, p. 30) the issuance of medical certificates to

SAU is limited to a few medical clinics, which leads to an oligopolistic situation that is reported to inconvenience prospective migrant worker and the recruitment agency, disturb the speedy migration process, and violate the fundamental rights of a recruiter or a migrant worker to obtain such a medical report from any registered medical clinic. The opportunity to create more competition for medical certificates to SAU by relaxing this requirement to other established clinics is another possibility to decrease cost and time taken to obtain medical clearance to SAU. A similar scenario is evident in the case of the VC for KOR also, where only two medical centers are authorized to perform medical testing. As such, opening up more competition for medical testing in both SAU and KOR VCs would lead to reducing costs of migration.

Re-evaluate the Need for FBR

The need for a FBR also contributes to delays and costs to potential female migrants, while those not recommended for migration tend to seek fake FBRs. For instance, in 2015 it is reported that 22 DOs were interdicted for preparing fake FBRs (ITN News, 2015). Stakeholders inform that a fake FBR costs about USD 174 (LKR 25,000). Interestingly, there is a momentum in LKA to reevaluate the validity of the FBR requirement with the possibility of repealing same.

Recently, there has been a public interest litigation filed seeking an order to suspend the FBR Circular, due to its discriminatory nature against women based on their gender, age and marital status (Sooriyagoda, 2015).

Staggering of Training Programmes

Currently, migrants shop around training centers to find the earliest training programme to meet their departure deadlines. If the training centers schedule a training session staggered throughout the year, this will ensure the availability of a given training programme somewhere in the island at a given time. Such coordination would contribute immensely to decrease the wait time of a domestic worker from LKA to arrive in SAU. Additionally, the quality of training appears to vary according to FGDs/KIIs and those interviewed stated that the training center in Pannipitiya as the best one. Given that all training centers in the SLBFE system offer the same curriculum, the SLBFE should take greater efforts to ensure that all centers provide a similar quality of training through provision of better human resources. This will further facilitate the likelihood of potential migrants freely choosing among alternative centers despite the locational differences.

Maximum Chargeable Amount for the Korean Language Training

In the case of migrants to KOR, this study finds that the recruitment cost for low skilled workers is about USD 1,479 (LKR 213,000) and the process takes about seven months to three years. These financial and time/opportunity cost estimates arrived in this study are comparable to existing estimates for EPS for other sending countries. For instance, as cited by Kim (2015), Friedrich Ebert Stiftung (FES, 2011) shows that 30% of EPS workers had a wait time of one year before departure, and 27 % waited for two years. In terms of costs, nearly a quarter of those surveyed by FES (2011) paid USD

500-1,000 and 1 in 4 paid USD 1,001-1,500, while 21% paid over USD 2,000.

However, as noted by Kim (2015) the purpose of establishment of the EPS system is to minimise the financial burden experienced by migrants in the form of exorbitant fees they would be obliged to pay most often to private recruitment agents or similar middlemen. As noted above, the fees paid by Sri Lankan migrants are in the upper range of costs discussed in FES (2011). This reveals that cost of migration to KOR could be further reduced. In order to reduce cost of migration to KOR, one measure would be to introduce a maximum chargeable amount for the Korean language training along with a minimum duration, in terms of total number of teaching hours for a training course. This would limit the possibility of some migrants feeling they over paid for the same language class (USD 111, LKR 16,000) when their peers paid a much lower rate (USD 69, LKR 10,000). Though not considered under this cost component, the longer overall duration in classes lead to higher opportunity cost, while short per lesson duration over a longer period of time leads to higher transportation costs and opportunity costs.

Administrative Inefficiencies

Despite the relative low direct cost of obtaining a CID Report at USD 3.74 (LKR 500), the associated indirect costs are as high as result of administrative inefficiencies like limiting of issuance of 300 reports a day. To address this issue, the administrative capacity at the CID should be increased or a simpler application process such as an online application ought to be introduced to reduce the wait time.

Better Aligning of Local and Foreign Training Programmes

In terms of pre-departure training, it appears that the mandatory residential training conducted in LKA and the mandatory Post-Admission training conducted in KOR overlap. Aligning the contents covered in both training would contribute to decreasing the duration of all training and their related costs. Similarly, the medical examinations done prior to and upon arrival in KOR appear to be somewhat repetitive. Despite the fact that the medical test on site in KOR would be required to prevent any possibility of fraudulent medical records, addressing the redundant nature of medical tests could contribute to lowering costs.

As in the case of the VC to SAU, the monopoly for pre-departure training for KOR held by the SLBFE contributes to a tradeoff between cost and quality, while the different cost components charged by the SLBFE lacks transparency which needs to be re-examined.

Need for Malaysia Specific Pre-departure Training

In the case of low-skilled migrants to MAS, the cost to the migrant is roughly USD 1,049 (LKR 151,075) and the process takes around one month, which is comparatively shorter, reducing the opportunity cost associated with being unemployed for a long period of time. According to the agents, MAS's market for low-skilled workers is very promising. The demand for Sri Lankan workers is influenced by the performance of past workers. Hence, workers should be educated and informed about their service requirements and contract prior to departure (i.e. on payment agreements). This is also linked to the training that the migrants undergo in LKA.

Currently, the five day programme allocated for Malaysian recruits is common to non-domestic workers to all countries. However, Malaysian jobs require particular training requirements, i.e. training in working long hour shifts in large-scale production factories. Many interviewees suggested introducing a training programme similar to that of KOR for Malaysian migrants, including both physical and technical training are necessary for the job. Lack of destination specific training results in migrants finding it difficult to cope with Malaysian factory environment, which sometimes lead to premature repatriation. In such instances, the company and agents lose substantial levels of resources which were invested on the candidate.

Breakdown of Migration Costs

Another recommendation would be to give the migrant a breakdown of the entire cost, so that they foresee their expenses and make informed decisions about accepting the job.

Furthermore, at the time of data collection, there was a discrepancy between the SLBFE registration fee for MAS bound migrants by gender. However, the validation meeting revealed that it has now been rectified and a uniform fee is charged.

Setting up of a Separate Division with the SLBFE Focusing on Recruitment to MAS

Currently, the recruitment agents to MAS seem to have more control over the process than the SLBFE, unlike in the Korean VC. The study affirms the need for a separate division in the SLBFE, similar to that of KOR, to monitor Malaysian recruitment and facilitate a lower migration cost; a separate division for Malaysian recruitment would also promote employment opportunities in MAS.

Need for National Survey on Labour Migration from LKA

In conclusion, it can be said that SAU, KOR and MAS low skilled VC chain is complicated involving a

number of agents and processes which add to the cost of migration. While these costs are burdensome to migrants to KOR, housemaids to SAU leave for their jobs with little or no cost to them. In fact, they receive a lump sum of money before they actually start their work in SAU. Nevertheless, they spend considerable time in going from pillar to post in obtaining the necessary documents to migrate - inefficiencies in the system which can be reduced and opportunity costs for both migrants and employers. The opportunity costs also appear to be problematic in the case of KOR VC. In this context, future research can include a nationally representative quantitative survey, such as those carried out by the thematic working group (TWG) on Low Skilled Migration of KNOMAD, which would complement the qualitative findings of the study and better capture non-financial costs of low skilled migration.

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