

## EMPLOYMENT

### Labour exports as major foreign exchange earner

The dramatic increase in manpower exports to the Middle East and African countries continued into 1982. A decline was expected towards the end of last year, with indications of a drop in oil prices and a possible slackening of construction activities in the Gulf States. On the contrary, the upward trend in demand for skilled labour and housemaids in specific Middle East states, particularly Saudi Arabia, has continued over the first few months of 1983, according to figures of vacancies advertised in the local press.

Receipts from private transfers, mainly remittances, made by Sri Lankans employed abroad showed a significant increase in 1982, these were almost 50 percent more than receipts of the previous year, reaching nearly Rs.6 billion and very close to earnings from tea which maintained its position as the main foreign exchange earner for the country. (See table below).

It is apparent from the trends of annual foreign exchange earnings that private transfers will soon move into position as Sri Lanka's leading exchange earner. An examination of the composition of Sri Lanka's foreign ex-

change earnings show that in 1977 private transfers contributed only 2 percent of total earnings, but by 1982 private transfers accounted for as much as 17 percent of the total (see diagram). By 1987 (over the next 5 years) private transfers are officially projected to contribute almost as much as the combined earnings from tea and rubber. The Finance Ministry's projected figure for 1987 of net earnings from private transfers is US \$ 505 million, while tea is US \$ 391 million and rubber US \$ 122 million. Another notable factor is that the surplus from private transfers, which has been rising steadily since 1977, has played a significant role in offsetting to some extent the comparatively poor receipts from merchandise exports.

Table 1. Composition of earnings from the two main export commodities and receipts from private transfers

Year	Tea	Rubber	Private Transfers	
			Amount Rs.Mn.	% Increase
1978	6,401	2,021	342	—
1979	5,772	2,491	754	118
1980	6,170	2,590	2,260	184
1981	6,444	2,889	3,918	64
1982	6,342	2,323	5,771	47

Based on Central Bank of Ceylon data

Table 2. Recorded overseas employment through Department of Labour and Private Employment Agencies

	No. migrated	%
1. Administrative and Managerial	31	0.2
2. Professional and related workers	508	3.5
3. Clerical and related workers	678	4.7
4. Sales Staff	38	0.3
5. Supervisors and Foremen	264	1.8
6. Skilled and Semi-skilled workers	6,045	41.5
7. Un-skilled workers	6,994	48.0
	<u>14,555</u>	<u>100.0</u>

Source: Department of Labour

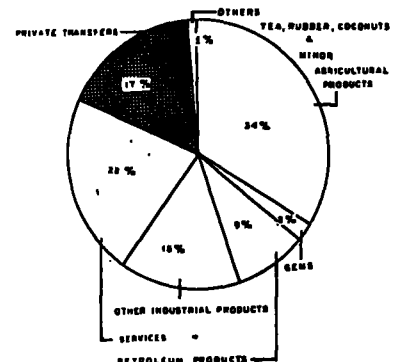
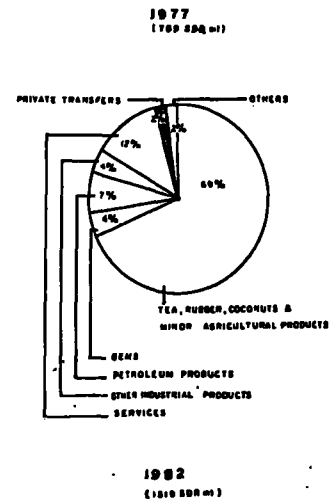
Table 3. Country-wise Record of Migration to the Middle East 1982

	No.	%
1. Saudi Arabia	10,591	73.5
2. U.A.E.	844	5.9
3. Iraq	755	5.4
4. Oman	534	3.7
5. Kuwait	484	3.4
6. Bahrain	282	1.9
7. Lebanon	261	1.7
8. Qatar	241	1.7
9. Jordan	134	0.9

Source: Department of Labour

The direct beneficiaries from these remittances have been thousands of households of the migrant workers, where income has today generally moved above that of the national average household income. (National average monthly income of households covering almost 8 million people was estimated at below Rs.500, according to a 1981 Survey for the

CHANGING COMPOSITION OF SRI LANKA'S FOREIGN EXCHANGE EARNINGS



Food Stamp Scheme). These households which are in receipt of remittances have to a large extent increased their levels of current consumption and also purchased a wide range of assets.

The flow of workers to West Asia has not been considered a serious drain on the country's productivity since over 50 percent of the migrants were either unskilled (mainly housemaids) or semi-skilled and related levels of workers. Another notable feature of the net outflow of this labour is that it is mainly of a low educational level unlike in the case of the brain drain of earlier years. The data in the table below gives an indication of the categories of migrants to the West Asian region during 1982.

Indications are that today almost 75 percent of the Middle East migrants are rec-

ruited, for employment in Saudi Arabia. The other major destinations, according to recorded figures, are the UAE, Iraq, Oman and Kuwait. (See table 3).

The pattern of employment appears to have changed in recent years. Earlier the proportion of recruitment for employment in the UAE was very much higher. The 1982 pattern, with Saudi Arabia taking the lead, has continued strongly into 1983 according to a survey of press advertisements of vacancies over a period in 1983.

This survey also indicated that not only have the number of vacancies being advertised not fallen but pay scales advertised (in terms of Rupees) have also been higher than a year earlier. Private transfers which reached Rs 5.8 billion in 1982 are estimated to exceed Rs 8 billion in 1983 due to factors such as this.