

FOREIGN EMPLOYMENT SRI LANKA'S EXPERIENCE PART III

(A Ministry of Plan Implementation,
Employment and Manpower Planning Division Study)

In part II we dealt with the reasons, costs and duration of migration and occupational mobility. It was emphasised that employment income was the most important determinant that influenced migration decisions of the majority of Sri Lanka migrant workers. Reference was made to the terms and conditions offered to these workers and the wage differentials in local and foreign employment. In this part we discuss the earnings from employment and migrant remittances.

Table 16 shows the type of variation in the total earnings of migrants who migrated to developed countries and East and West Africa as against the earnings of the workers who migrated to the Middle East. The total earnings of migrants who had found employment on Greek ships had been over Rs 375,000 on the average. Saudi Arabia had absorbed the single largest number of Sri Lankan migrant workers and the average for the country exceed Rs 200,000 per migrant.

Skilled workers who had migrated to Saudi Arabia were in receipt of higher average earnings than those from other countries of the Middle East. Professionals working in East and West Africa received higher employment incomes than in the Middle East. In the case of heavy vehicle drivers the average monthly earnings have varied from Rs. 3,200 in Oman to Rs. 28,000 in Saudi Arabia. In respect of masons and carpenters this inter country differential is comparatively low. Correlation of this data with that

Table 16 Earnings of Returned Migrants by Country - (Rupees)

Country	No.	Total	Average	Minimum	Maximum
Bahrain	23	3477779	151207.8	9000	2051100
Greece	18	70080000	389333.3	100000	1191250
Germany	03	854300	284766.7	67500	470000
Hong Kong	01	106500	106500.0	-	-
Iraq	31	6457487	208306.0	18000	490000
Jordan	09	992717	110301.9	11200	310500
Korea	01	175500	175500.0	-	-
Kuwait	47	3259530	69351.7	2500	331500
Lebanon	08	521085	65135.6	17500	109375
Libya	06	1049125	174854.2	85800	321750
Maldives	05	359105	71821.0	8125	135000
Nigeria	04	3368600	842150.0	282200	1224000
Oman	32	5740203	179381.3	14400	786816
Qatar	14	3505930	250423.6	8280	2415000
Saudi Arabia	118	23860413	202206.9	1652	2555000
Singapore	14	1926550	137610.7	7200	409200
South Africa	01	180000	180000.0	-	-
Switzerland	02	358600	179300.0	-	-
Tanzania	01	126000	126000.0	-	-
Thailand	02	370000	185000.0	-	-
U.A.E.	56	6663145	118984.7	2400	936600
U.K.	06	7125875	1187645.8	120000	3150000
U.S.A.	07	4001125	571589.3	61250	851875
Yemen	02	828188	415094.0	-	-
Other	01	19500	19500.0	-	-
Total	412	82335257	199842.85	-	-

Source: Survey of Returned Migrants

The most popular method had been to transfer their savings to Sri Lanka (45.2%). The data shows that only 1 percent had kept their savings with friends or relatives, and that 4 percent had kept their savings with their employers. In the case of housemaids this percentage is higher, 7 percent had saved their money with their employers. The survey has also revealed that 31.3 percent of skilled workers and 36.3 percent of housemaids had kept their savings with them.

Migrants had resorted to more than one method to repatriate their savings. 82 percent had effected remittances through banks, 5 percent had been assisted by the employer to transmit their savings. The percentage who had brought money in person had amounted 17.5 percent. Only a small percentage of 2 percent had used the services of a friend or a relative to send their remittances back to Sri Lanka.

Information on the frequency of migrant remittances is important both from the national and individual points of view. Migrant remittances have now become the second highest foreign exchange earner in the country. The number of households who have had migrants working abroad could be as high as 300,000 which makes migrant remittances an important economic factor at household level too. Therefore the pattern of inflow of remittances and its regularity are significant for the national economy and as personal remittances for income support of families. The survey of migrants for employment abroad and the survey of returned migrants disclosed that 61 percent and 71 percent of the migrants were married and that these remittances could have been their primary source of income for their families.

The data on the frequency of remittances obtained from the survey of returned migrants is provided in Table 20. It shows that 56.5 percent

Table 18

Methods of Effecting Remittances

Method	No.	%
Credit Bank Account	350	44.8
Bank Draft	376	48.1
Sent through friends relatives	23	3.0
Not stated	33	4.1
All methods	782	100.0

(* 5 Migrants had declared more than one method)

Source: *Survey of Migrants for Employment*

had effected remittances monthly. The response to this question had been satisfactory as only 9 percent had not answered the question. If one were to exclude this category then the percentage that had effected monthly remittances would increase to around 61 percent. The data in Table 20 shows that about 12 percent of all migrants sent their remittances intermittently and 4 percent had brought their savings when they returned. More importantly this data had revealed that 75 percent of all migrants had effected remittances at least once in 3 months.

Migrant workers who had remitted money, had repatriated Rs. 13,000/- on the average. If one were to include persons who did not volunteer this information, but who may have remitted money, then the average for a sampled population is Rs. 96,930/-. When migrants who did not furnish information on remittances are excluded, the data shows that the remittances of housemaids had averaged to Rs. 39,500/- and this amount increased to Rs. 312,000/- for professionals and managers who had worked abroad and returned. A skilled worker's transfer of foreign exchange averaged to Rs. 136,000/- while the average remittance of an unskilled worker is substantially less, amounting to Rs. 78,500/- or 57 percent of that of a skilled worker.

The migrants have transferred 50 percent of the total amount

remitted to their families. The proportion of remittances transferred to families amounted to 52 percent for skilled workers; and it is substantially higher in the case of housemaids, amounting to 67 percent of the total amount remitted by them.

Migrants have brought 19 percent of the money repatriated on their visits and have transferred 13 percent of the total remittances to their bank accounts.

Generally the supervisory level category at sub-professional levels and non-clerical occupations had been effecting remittances amounting to Rs. 10,000 - Rs. 17,000 per month. The remittances in respect of skilled workers had averaged around of Rs. 5,000/- per month and had been as high as Rs. 11,000/- to Rs. 14,000/- in particular occupations such as heavy vehicle drivers and oil drillers etc. The average monthly remittances of unskilled workers, had varied from about Rs. 2,500/- to Rs. 4,500/- and housemaids had been able to remit less than Rs. 2,000/- per month.

Remittances and Duration of Stay

The variation in the pattern of average amounts remitted is evident in the case of skilled and unskilled workers and housemaids where the sample involved were reasonably large to show its distribution. The average amount remitted by them had con-

Table 20

Frequency of Migrant Remittances

Period	Number of Migrants %	
Monthly	240	56.5
Bi-monthly	37	8.7
Quarterly	35	8.2
Half yearly	04	0.9
Annually	03	0.7
Bi-annually	03	0.7
Irregularly	50	11.8
On return	17	4.0
Not stated	38	9.2
All period	424	100.0

tinued to increase up to the 4th year of migration, and thereafter it appears to have declined. The duration of stay would be longer in the case of workers whose level of foreign employment income is low or moderate which would make it necessary for the migrant to stay longer periods abroad to achieve the desired level of savings before returning home.

In the case of the professional category there seems to be a distinct pattern between the amount remitted and the duration of stay. The sample is inadequate to throw light on any relationship between these variables. From the point of view of remittances it is evident from the information that the optimum duration of stay in the case of housemaids appears to be around 1½ to 2 years by which time they could repatriate around Rs. 45,000/-. In the case of this category there does not appear to be a significant increase in the amount remitted in the third and subsequent years. Skilled workers could remit around Rs. 60,000/- by the end of the first year and this amount increased to over Rs. 110,000/- when the duration of stay increases to 1½ years; the amount remitted declines to Rs. 100,000 on the average if the period was 1½ to 2 years. The data also shows that the value of remittances substantially increases to around Rs. 175,000/- when the duration increases to 2 - 2½ years. A sub-

professional worker or a clerical worker who works for a period of about 1½ - 2 years abroad had been able to remit about Rs. 200,000/-.

The average remittances effected by migrants who were employed in Nigeria, U.S.A. and U.K were substantially higher. Practically all migrants who were temporarily employed in these countries were professionals and managers. The remittances of seamen who worked on Greek ships had averaged Rs. 235,000/- while the sub-professionals and skilled workers who worked in Libiya had also repatriated remittances to the value of over Rs. 150,000 per person. Migrant workers, mainly skilled and unskilled workers, who were employed in Saudi Arabia, Iraq and Oman had on the average remitted over Rs. 100,000 per person. It was mainly the remittances of the housemaids who worked

in Kuwait, Lebanon, Jordan and Baharain, whose wages were low, that had resulted in the average amount remitted by them per person to remain at around Rs. 45,000/- to Rs. 60,000/-. No effort was made to disaggregate the data by manpower level and country in view of the difficulties involved in presenting such a tabulation. But this information when combined with the data on distribution of migrants by occupation and country of migration makes it possible to visualise the pattern of remittances by manpower level and country.

Earnings and Remittances

Professionals were able to save around 50 percent of their total earnings while the proportion of earnings repatriated amount to 35 percent. The data shows that it was the sub-professional and clerical workers who had the lowest ratio of savings to earnings. This is highest in the case of housemaids where around 72 percent of their wages had been saved. This is to be expected as they received meals and accommodation and in some instances clothing as well. The highest proportion of earnings repatriated was by this category. Except in the professional category the other categories of workers had repatriated almost the entirely (over 90 percent) of their savings.

Table 19

Methods for Depositing Savings

Manpower Level / Method	High	Middle	Skilled	Unskilled	House- maids	All Levels	
						No.	%
With Migrant	3	12	68	20	65	168	32.2
With Employer	-	2	8	1	13	24	4.6
With Friends	-	-	1	-	3	4	0.8
In a Bank	8	13	33	10	15	79	15.1
Remitted to Sri Lanka	3	19	105	30	79	236	45.2
Other	-	-	-	-	-	-	-
Not stated	-	-	2	5	4	11	2.1
All methods	14	46	217	66	179	522	100.0

Source: Survey of Returned Migrants