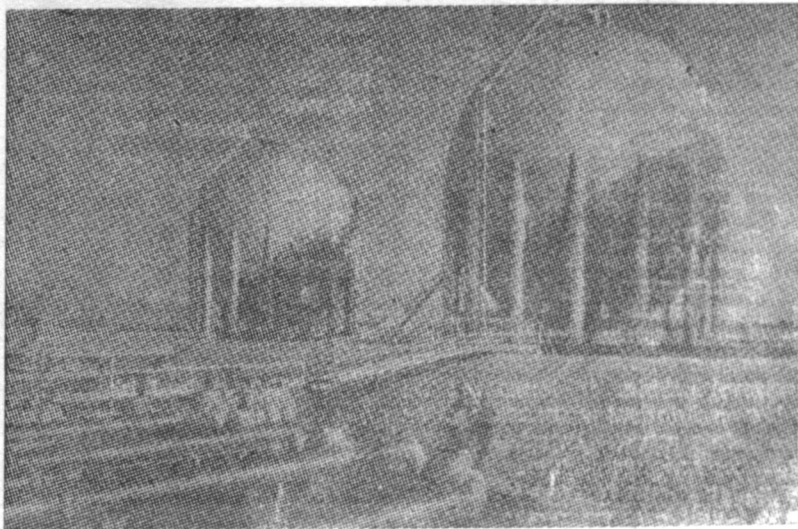


The continuing modernisation

The continuing modernisation programme going on in the Middle Eastern States is producing a stream of large projects in industry, construction and other service sectors as well as creating innumerable employment opportunities. Pictured here is some of this activity. At top right, is a modern public housing complex coming up in the desert in Dammam, Saudi Arabia. At centre, an oil storage tank at Al-Ahmadi in Kuwait close to where an oil processing facility is being built. However, only a small proportion of Kuwait's labour force is engaged in the oil industry although the government derives over 90 per cent of its revenue from this sector. The result is that a major part of the labour force has to be sought from other lands; and as seen in the picture below this sight of immigrant labour queuing up to regularise their employment has been typical in those states evicting migrants not in possession of valid work permits.



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# MIDDLE EAST MIGRATION

Around 1973 the Middle East states experienced an increase in their revenues from petroleum and consequently in their liquidity situation. But they soon realised the extent to which their economies were underdeveloped with low literacy rates, short life expectancy, unskilled labour, a low level of technology, little diversified development outside the oil sector,

and with all the problems of a single-resource economy. For them a major impediment to economic growth and development was the shortage of labour at all levels. From then began the exodus of migrant workers to these 'oil-rich' countries.

Current estimates of the number of migrant workers in the Middle East vary between

two million and two and a half million. (See table 1). The largest recorded number of migrant workers in this region were from Pakistan, followed by Egypt, India and Afghanistan; while the principal host countries have been Iran, Saudi Arabia, Kuwait, Libiya, Qatar, United Arab Emirates and Oman. For the labour exporting developing countries the foreign remittances from their migrant workers have, over the 1970's, constituted a considerable proportion of

their foreign incomes; and for a few it has been one of their fastest growing components of foreign exchange earnings. (See tables 1, 2 and 3). For the labour receiving countries this migrant labour has been a vital component of their development effort. But for many reasons (listed later) doubts have arisen in these host countries about the wisdom of encouraging the development of expatriate communities; although it is essential that in order to expand their economies they must have more labour and this must be imported expatriate labour.

As in the other labour supplying countries, in the case of Sri Lanka too, these developments in the Gulf region are having a bearing on particular aspects of the economy - they contribute to increasing the countries foreign resources, while these monies spent locally on consumption or investments such as land and housing tend to further push up prices; employment has been provided to a large number of workers, while the shortage of skilled labour locally is further aggravated; also general business prospects in this region have improved for Sri Lankans, while there is uncertainty as to how long it would last.

By the end of 1970's it appeared that the Gulf States were applying the brakes on the steady inflow of unskilled migrant labour. For countries such as India, from where thousands of workers flocked to the Gulf in the mid-1970's in the wake of the oil price boom, there were definite signs of the reversal of this trend. Over the two years 1979 and 1980 many thousands of Indian workers who were over-staying their visas were compelled to return home. Since 1979 there was a marked drop in employment opportunities in the Gulf and also in the number of India and Pakistani nationals seeking employment in this region. In the case of Sri Lanka the issue of passports and migrations reached a peak in 1979 and then fell even below 1978 levels in 1980. (See tables 3 and 14). Value of remittances, however, appear to have been on the increase - possibly there were more Sri Lankans than ever before working in the Gulf by 1980, though the numbers of new migrant workers during 1980 could have dropped.

A closer look at the background to the Middle East labour "market" will provide a better appreciation of the issues involved.

Table 1—MIDDLE EAST EMPLOYMENT

| Country                        | Year | Nos.    | Remittances (US\$ billion) |
|--------------------------------|------|---------|----------------------------|
| Afghanistan                    | 1977 | 200,000 | .2                         |
| Bangladesh                     | 1978 | 100,000 | .15                        |
| Egypt                          | 1977 | 350,000 | 1.0                        |
| India                          | 1978 | 300,000 | 1.6                        |
| Jordan                         | 1977 | 150,000 | .4                         |
| South Korea                    | 1978 | 80,000  | .2                         |
| Pakistan                       | 1978 | 300,000 | 1.1                        |
| Philippines                    | 1978 | 80,000  | .1                         |
| Sudan                          | 1977 | 50,000  | .04                        |
| Thailand                       | 1978 | 30,000  | .02                        |
| Yemen Arab Rep.                | 1977 | 500,000 | 1.0                        |
| Yemen People's Democratic Rep. | 1977 | 300,000 | .2                         |
| Sri Lanka *                    | 1978 | 20,000  | .04                        |
|                                | 1980 | 40,000  | .1                         |

Source: IMF Survey, September, 4 1978 and Financial Times supplements 1979 and 1980.

\* Estimates based on annual job placement by employment agencies, Immigration Department figure of passport issues and private remittances recorded by the Central Bank.

Table 2—REMITTANCES TO SELECTED COUNTRIES BY MIGRANT WORKERS (in millions of U.S. dollars)

| Country                      | 1973 | 1974 | 1975 | 1976 | 1977  |
|------------------------------|------|------|------|------|-------|
| Afghanistan                  | ...  | ...  | ...  | ...  | 205   |
| Bangladesh                   | ...  | 18   | 43   | 53   | 70    |
| Egypt                        | 87   | 189  | 340  | 615  | 1,020 |
| India                        | 235  | 297  | 535  | 713  | 1,005 |
| Jordan                       | 45   | 75   | 167  | 411  | 42    |
| Korea                        | 154  | 154  | 158  | 195  | 17    |
| Pakistan                     | 151  | 239  | 353  | 590  | 1,11  |
| Philippines                  | ...  | 104  | 128  | 112  | 13    |
| Sri Lanka                    | ...  | ...  | 3    | 7    | 10    |
| Sudan                        | ...  | ...  | ...  | 12   | 04    |
| Yemen Arab Republic          | 129  | 159  | 307  | 796  | 1,00  |
| Yemen, People's Dem. Rep. of | 33   | 41   | 56   | 115  | 17    |

Source: Andreas S. Gerakis and S. Thayanithy, "Wave of Middle East Migration Raises Questions of Policy in Many Countries" IMF Survey, September, 4, 1978.

Table 3—TRANSFER PAYMENTS TO SRI LANKA (Rs. Million)

| Year | Private Transfers (Credit) | Export Earnings | As Percent of Export Earnings |
|------|----------------------------|-----------------|-------------------------------|
| 1970 | 17.9                       | 2,033.0         | 1.0                           |
| 1971 | 20.4                       | 2,039.9         | 1.1                           |
| 1972 | 23.6                       | 2,015.7         | 1.2                           |
| 1973 | 47.7                       | 2,629.8         | 1.7                           |
| 1974 | 54.3                       | 3,502.9         | 1.6                           |
| 1975 | 60.0                       | 3,968.5         | 1.5                           |
| 1976 | 108.0                      | 4,840.1         | 2.2                           |
| 1977 | 189.7                      | 6,569.6         | 2.9                           |
| 1978 | 609.8                      | 13,193.0        | 4.6                           |
| 1979 | 935.4*                     | 15,282.0        | 6.1                           |
| 1980 | 2,164.0**                  | 17,388.3        | 12.5                          |

Source: Central Bank of Ceylon.

\* Provisional

\*\* Estimate based on 1980 first half year credits of Rs. 1,082 million.

On a very approximate estimate, about 75-80 percent of these transfers, from 1973, could be regarded as emanating from the Middle East.

Table 4—PASSPORTS ISSUED IN SRI LANKA

| Month             | 1977   | 1978    | 1979    | 1980   |
|-------------------|--------|---------|---------|--------|
| January           | 1,792  | 7,824   | 12,244  | 6,477  |
| February          | 2,589  | 7,133   | 12,375  | 6,316  |
| March             | 3,728  | 9,274   | 12,691  | 6,387  |
| April             | 2,898  | 8,229   | 11,786  | 5,648  |
| May               | 3,728  | 8,233   | 10,806  | 6,769  |
| June              | 5,279  | 11,157  | 13,026  | 7,748  |
| July              | 6,017  | 10,919  | 13,309  | 8,688  |
| August            | 5,254  | 10,869  | 13,008  | 8,489  |
| September         | 5,310  | 8,343   | 11,488  | 10,32  |
| October           | 6,771  | 9,612   | 8,175   | 10,81  |
| November          | 6,645  | 9,511   | 7,558   | 29,34  |
| December          | 8,223  | 10,556  | 5,173   | 10,41  |
| Total             | 58,234 | 111,660 | 131,639 | 97,444 |
| Average per month | 4,853  | 9,305   | 10,970  | 8,102  |

Source: Department of Immigration & Emigration

At the end of the 1950's some of the oil producing countries got together to form the Organisation of Petroleum Exporting Countries (OPEC) in order to safeguard their own interests. Throughout the 60's OPEC grew in membership and expertise. By the beginning of 1970 they were maintaining that oil revenues had not risen with the price of industrial goods they needed to import nor were they adequately compensated for the steady depletion of their one major asset. The first step was taken with a confrontation between Libya and the Occidental Oil Company that resulted in an extra \$500 million a year for Libya. From January 1974 the OPEC countries together increased the posted prices of a barrel of crude oil to US\$ 11.65 which was four times the price that prevailed in January 1973. The revenue the major oil exporters earned as a result is estimated to have exceeded the 1973 level by nearly US\$ 65 billion. This shift in world income and capital distribution continued over the 1970's and had profound implications not only for the developed countries but also the oil producing countries and the rest of the developing world. It created much concern among Western economies, who claimed that these annual surpluses in Arab hands amounted to a withdrawal of roughly 5 percent of the developed world's spending power into Arab reserves. This gave rise to what the Western countries considered as the problem of "re-cycling" these petrodollars.

With these big capital surpluses on their hands the Middle Eastern oil producing countries were left with two alternatives: to invest ab-

road or to invest at home. Many of these states realised that they were dependent on a single resource, which was exhaustible. They were also not quite certain as to what real returns they would receive if they invested most of their surpluses abroad and therefore the choice was inevitable that they should develop industries, construction projects and the other infrastructure services of their own economies.

The enormous sums of capital being accumulated by the Gulf States in the 1970's were thus partly invested in numerous projects intended to advance the state of development of these countries. Funds were poured into huge developments such as Dubai's US\$ 600 million Jebel Ali aluminium smelter, Saudi Arabia's US\$ 930 million Jubail harbour project and several massive petrochemical projects in Jubail, Bahrain's US\$ 500 million dry dock and Qatar's US\$ 300 million steel plant.

After 1973 there was also a heavy rush to develop the infrastructure, social services and industries together with rapid urba-

nization in these countries. This resulted in a series of costly problems such as port congestion, bottlenecks in the economy and domestic inflation. But from the very start the major constraint was the shortage of manpower of all kinds and at various levels. The manpower within these countries was completely inadequate and a large part of their demand was met from resource poor Arab States and the developing Asian countries extending from Jordan, Yemen and Afghanistan to South Korea.

#### Manpower Shortage

There are several reasons why these capital rich Middle East States had to fall back on migrant labour to meet their manpower demand. Around 1975 it was estimated that the total indigenous population in the Gulf States, excluding Libya and Saudi Arabia, was less than 1 million (although the Libyan population of just over two million and the Saudi Arab national population of over 4 million were on a different scale). They were still regarded as small populations for modern industrial states, not producing for a large home market or a source from which a substantial labour force could be drawn.

As seen in table 5 the potential quantity and quality of the indigenous labour in these capital rich states was limited. Furthermore, there was a virtual exclusion of women from the indigenous labour force. Even more significant was the scorn for manual work felt by large sections of the people of these societies. Moreover, substantial sections of these Gulf Arab Societies had become so 'wealthy' (in terms relative to their previous standard of living) that the need to work to attain wealth was not clear to them. Their disinclination to work hard and inability to think in terms of wages

Table 5—INDIGENOUS POPULATION AND INDIGENOUS WORK FORCE OF CAPITAL-RICH ARAB STATES, 1975

| Country              | Population | Work Force | Percentage |
|----------------------|------------|------------|------------|
| Kuwait               | 472,100    | 91,800     | 19.4       |
| Qatar                | 67,900     | 12,500     | 18.4       |
| Libya                | 2,223,700  | 449,200    | 20.2       |
| United Arab Emirates | 200,000    | 45,000     | 22.3       |
| Bahrain              | 214,000    | 45,800     | 21.3       |
| Saudi Arabia         | 4,592,500  | 1,026,500  | 22.3       |

Source: Derived from J. Stace Birks and Clive A. Sinclair, *Country Cases Studies: Kuwait, Qatar, Libya, United Arab Emirates, Bahrain, and Saudi Arabia, International Migration Project Working Papers* (Durham: Durhams University, Economics Department, 1977-78)

and salaries at normal daily rates in return for production has been attributed to the fact that they had amassed such 'wealth' without much effort. Even poorer sections of this society considered work devalued when they saw the wealth that some members of their society had attained without apparent effort. In these economies the tie between that production activity in the economic sector which contributes most to GNP (the oil sector) and acquisition of income in that sector was very loose.

The disassociation of normal market returns as wages in repayment for work had been accentuated by government policy. Despite the shortage of labour no government in the Gulf has been inclined to encourage its nationals to enter the most handicapped sectors of the economy. On the contrary the entire system of creating posts in the public sector to accommodate the indigenous population has been regarded in these countries as more a reflection of the modern interpretation of the traditional duties of the rulers who provided for their people. In both Saudi Arabia and Kuwait a high proportion of their nationals are thus with the government or in senior managerial positions. In Kuwait, for instance, only the indigenous population can own real estate and business must have at least 51 percent Kuwaiti participation; while foreign contractors and exporters must have Kuwaiti agents to bid on projects and sell their goods in the country. Also only Kuwaitis can get import licences. This system seems to reward the sleeping partner and agent over the skilled worker, the professional and the manager; and also encourages an inflated civil service. For instance, nearly 75 percent of the 90,000 active Kuwaiti labour force were employed by the Government; but less than 1,000 Kuwaitis were in the lower salary bracket. This situation applies to many of the other Gulf States as well.

In many cases the link between effort and reward has been severed. The result is that these countries have not only turned to foreigners to do the menial jobs which nationals look down on (a situation developed in the industrialised societies) but they also fall back on foreigners to do jobs that their indigenous populations

could be trained to do if the system does not work against them. In more recent times, however, some Middle East States have felt the need to correct some of these problems.

Another aspect of the need to employ foreign labour was that many of the Arabs with the capital, and their foreign advisors or contractors, realised that they could tap the human resources of those developing countries where wages are low and employment scarce and that they could pay this labour proportionately smaller wages than what was paid to those from the Western or other Arab states. Following the pattern in the industrialised Western countries they realised that this labour force from the poorer developing countries, as a result of their difficult circumstances, would also be more submissive and hence accept a greater intensity of work and longer working hours. This arises from their condition of extreme need, but it is not only the poverty experienced in their own country that makes the immigrant workers tolerate the hard working conditions they are subjected to in these Gulf States, or what they have put up with for decades in the Western industrialised countries. Studies have revealed that it is also their limited capacity for organisation and protection and their greater vulnerability to repression which places them in this situation. Their status as foreigners deprives immigrants of political rights or even of their rights as trade unionists. It is also easier to spread dissension and create divisions within the ranks of immigrant labour in these countries because of their heterogeneous nature.

Most protests meet with threats or actual harassment leading to even forfeiture of passports and cutting off of all sources of income. Immigrants have thus been left to scrape up sufficient resources, often in the most inhuman manner, to return to their own country.

The three cases quoted below of migrant labour in the Middle East seem typical of this situation.

The journal *India Today*\* relates of how 200-odd labourers were recruited in India for a project in Dubai in 1979. They were promised a salary of 1,200 dirhams (Indian Rs. 2,700) a month by a 'smooth-talking' employee of one of the largest

recruiting agencies in Bombay. The prospective labourers were promised free accommodation and food with an opportunity of doubling their salary on overtime pay. Free electricity, a frigidaire and air tickets there and back were part of the promised package. All they were required to do to arrive at the end of the rainbow was to pay a mere Rs. 10,000 each to the recruiting agent. To a man, the 200-odd labourers sold whatever land and jewellery they possessed, immersed themselves in debt to the local money-lender, and joyously jumped on to the bandwagon.

After the money was paid to the recruiting agent, instead of the promised air fare, they were herded on board a rat-infested tramp steamer. Ten days later, they arrived in Dubai, were hustled off to the construction site and given their accommodation—the clapboard shacks. As soon as they arrived, their passports were taken away and they were brusquely informed that their salary would be 20 dirhams (Indian Rs. 45) a day; they would work nine hours a day with no overtime and would have to pay for their own food. Naturally, items like frigidaires and electricity would not be provided. Some 20 labourers protested and were sacked on the spot. They were not given their passports nor the air fare to return home.

After one month of back-breaking work, another group of 50 labourers quit in disgust and joined the swelling ranks of the illegally unemployed immigrants in the country. "We even took a delegation to the Labour Office, but they didn't even bother to listen to us," said a mason among them.

The remainder who decided to stick it out merely entered the vicious circle that constitutes a labourer's life in the Gulf. "It is nothing but bonded labour," said T. P. Thomas, a labourer from Kerala. "We cannot leave because they refuse to return our passports and our work visas are for that particular company. If we protest we are sacked. The Embassy can do nothing, so we just have to suffer in silence."

\* This example is reproduced from the cover story "Chasing a Mirage" published in the April 1-15, 1980 issue of *India Today*, with the kind permission of its Editor, Aron Purie.

Two recent cases of exploitation of Sri Lankans by the local employment agencies were recounted in the *Sunday Times* of April 19, this year, by journalist Patrick Cruetz who has returned after working a period of one year in the Middle East. He states

"A white South African, a New Zealander and the British Consulate joined me and another Sri Lankan to help repatriate 11 Sri Lankans who had nearly died of starvation in an Arab city after being brought in for employment. The white South African, Mr. Arthur Lees-Rolfe, on being told of their plight gave me Rs. 5,000 in Arab currency to help feed the starving Sri Lankans. The New Zealander, Mr. John B. Conyngham, a former "Economist" correspondent, intervened with the British Embassy on behalf of the Sri Lankans.

Holed up in a small room barely sufficient for four people, the 11 Sri Lankans, all in their teens—masons, carpenters, and welders—were pathetically thin when they approached us for help. They had paid a recruiting agent in Colombo Rs. 10,000 each to secure employment. Most of them had pawned their family jewellery and sold valuables to raise this money. With great difficulty we managed to get their Arab employer to release their passports and have them sent back home. I was happy to be told by some of them who came to meet me here in Colombo recently that the Labour Department has instituted legal action against the employment agency.

I wish the Department success, but this is what happens all the time. In Kuwait airport for example two Sri Lankans found an 18-year-old Sri Lankan girl stranded. She had paid an employment agent Rs. 15,000 and got an air ticket to Kuwait with the promise that her employer would pick her up at the airport. She waited for her prospective employer for two days in the airport without even an entry visa. A scrutiny of her ticket indicated that she was a transit passenger to some other Arab country.

I have seen young Sri Lankan women carrying the names of their Arab employers on boards hung round their necks—like animals with price tags. With their meagre belongings beside them, they just stand there waiting to be picked up by God knows whom and for what—and after paying fabulous amounts of money to men and women who run employment agencies in this country".

Continuing, the following Sunday, with his chronicle of exploita-

tion of the Sri Lankan worker in the Middle East by unscrupulous employment agencies Cruetz stated:

"The Getty Oil Company of Kuwait advertised for draughtsmen and nurses/midwives in an issue of the *"Arab News"*. Salaries offered amounted to KD 257,150 for a draughtsman which worked out to little over 1,000 US dollars a month. According to the salary scales advertised almost simultaneously in Sri Lanka, the same draughtsman is promised a wage of 400 US dollars a month. In the case of nurses of midwives the disparity in wages is even worse. Getty Oil was willing to pay a nurse 1,105 dollars a month while Sri Lanka was willing to send a nurse for just 350 US dollars a month".

The idea that immigrants are necessary to carry out the arduous jobs rejected by the indigenous population, however, is only half the story as shown by Manuel Castel in a paper on the Western experience of immigrant workers. Such jobs are not given out merely because they are "dirty" and "soul-destroying" but because they are less well paid. Studies have established that immigrant workers do not exist because there are "arduous and badly paid" jobs to be done but rather arduous and badly paid jobs exist because immigrant workers are present and can be sent for to do them. This is exactly what is occurring in most Gulf States. A clear example is the building industry which has remained mainly small scale in character, because with the easy employment of immigrants, capital could be made more profitable than having recourse to industrialised methods. If immigrant labour was not available then this industry and the rate of profit in this sector would be considerably reduced. This is why, the argument goes, capital cannot do without the "arduous jobs" or the immigrant workers who do them. This is the "invisible structure" of the determination of capital of which we generally see only the effects.

Another major benefit to these host countries of an immigrant labour force is that apart from the fact that it receives the lowest wages, it is that part of the labour force whose health conditions are best, contrary to popular belief. This is so because immigrants are generally young and in the prime of their working life and also generally health examinations ensure that those who are not in good health are not retained for work in these countries.

Further, migrant labour is that part of the work force which works in the worst safety and health conditions. This permits considerable savings in the organisation of work, reducing still further costs to their employers and host country. Also, the overall average rate of profit is increased with migrant labour by recruiting immigrants from among the young and productive. Capital of the host country finds it possible to avoid paying the costs of "rearing" the worker and maintenance costs after his or her working life has ended. An OECD study estimated in the mid 1970's that these costs amounted to about US\$ 10,000 per worker in Europe at that time.

Also, given the conditions in which immigrants live and work the majority are unmarried or "forced" bachelors, and the costs of reproduction or maintenance of families are not borne by the host countries, which thus save on the cost of collective facilities such as public housing, schools, hospital services and other welfare benefits.

The policies of these governments of the Middle East states was to allow imports of labour or actively encourage it in order to make up for the deficit in the labour supply. By 1975 immigrant groups were of considerable scale as seen in table 6-below. Particularly in Kuwait, Qatar and UAE the expatriate communities outnumbered the indigenous population. In the Emirates, a vast majority of non nationals came into Abu Dhabi and Dubai and today immigrants are estimated to outnumber the local population by one to five. The nature of these expatriate communities vary reflecting the geographical proximity of supplier countries of labour; the scale and type of job opportunities and the extent of the wealth and level of development programmes of the host countries. Thus in Bahrain, the Asians were the largest single group followed by Omanese, while British were also an important element of the expatriate community there. The Emirate of Oman, on the other hand, had exported nearly one-fourth of its labour force and had to import half of its present work force from neighbouring Arab and Asian countries, including Sri Lanka. The vast majority of expatriates in Oman, however, were Indians and Pakistanis.

Table 6—NATIONAL AND NONNATIONAL POPULATIONS OF THE CAPITAL-RICH ARAB STATES, 1975

| Country                     | Nationals | Percentage | Nonnationals | Percentage |
|-----------------------------|-----------|------------|--------------|------------|
| Kuwait ... ..               | 472,100   | 48.4       | 502,500      | 51.6       |
| Qatar ... ..                | 67,900    | 41.2       | 97,000       | 58.8       |
| Libya ... ..                | 2,223,700 | 80.7       | 531,500      | 19.3       |
| United Arab Emirates ... .. | 200,000   | 41.0       | 456,000      | 59.0       |
| Bahrain ... ..              | 214,000   | 79.3       | 55,000       | 20.7       |
| Saudi Arabia ... ..         | 4,592,500 | 74.6       | 1,565,000    | 25.4       |

Source: J. Stace Birks and Clive A. Sinclair, "Some Aspects of the Labour Market in the Middle East with Special Reference to the Gulf States" *The Journal of Developing Areas* 13 (April 1979).

The steadily declining percentage of nationals, along with a growing population, appears to have posed a threat to the stability of some of these Middle East countries. These countries have begun to fear that the dilution of their own nationals on such a scale would endanger the economic, cultural and even political identity of their own countries. This imbalance in the growth of population, however, has been part of the unexpected impact of the increasing oil surpluses of these states.

#### A Slowing Down

This policy of encouraging imports of labour had resulted in a population of over 2 million foreign workers in these Gulf States by the end of 1980. They were required during the construction boom that followed the 1973 oil price hike. This trend continued almost to the end of the 1970's, when suddenly the Arab Governments decided that certain restrictions should be imposed. Many of the Middle East states accepted that their countries benefitted considerably from the use of migrant labour, particularly for the rapid development of infrastructure activity and industrial projects. But with signs of this phase of development drawing to a close the host governments began to review their policy towards employment of foreign workers. The type of migrant worker needed in the Gulf began to change with the construction boom slowing down. Instead of an unskilled work force they now need more skilled technicians to operate the dry docks, aluminium works, petrochemicals complexes and other industrial facilities that had come up. This trend has attracted a different type of Asian worker, namely, one who was more educated and therefore more socially and politically aware. He was also less tolerant of the difficult conditions under which the unskilled worker had been put up in the

Gulf. Thus by 1979 there were more protests from immigrant workers, who were complaining about their living conditions. This began to cause concern to the host governments and resulted in some of the Gulf states reviewing their policies towards foreign workers. More restrictive conditions for employment in these States began to be enforced by their governments to ensure that the immigrants, particularly unskilled labour, returned home. They began to notice that in addition to the migrant workers employed on contract, there were growing numbers of foreigners who managed to remain in the Gulf at the end of their contract service and find work illegally. Host countries saw these people as a large group over which they had little control. As many as possible of these migrants were therefore compelled to leave on the grounds that their visas had expired.

The revolution in Iran also led many states to reappraise their commitment to Islamic principles and an awakening to the extent to which these tenets of their faith could be eroded by foreign influences. They also seemed to grow more aware that over 50 percent of their populations were expatriates and politically a potential danger.

In Saudi Arabia, for instance, the uprising in Mecca in which a number of foreigners participated caused fright to the Saudis. Today migrant workers here must have both a sponsor and a specific job before entering the country; and are generally not permitted to bring in their families. In some of these countries migrant workers are housed in provisional quarters outside the city and are unable to enjoy the facilities and privileges of the indigenous population.

The presence of such large numbers of foreigners has certainly created doubts, on political and social grounds, in the minds of the authorities in these countries. In some states governments have adopted an "Arabisation" concept, following the Gulf Labour Ministers' Conference in December 1979; which meant that future employment should be confined to Arab nationals only. Following this move the Asian workforce had been reduced in some Gulf states and where possible was being replaced by Palestinians, Egyptians, Syrians and Iranians.

Several other factors have been attributed to the ending of the boom for unskilled and semi-skilled (male) workers such as the heavy but unproductive spending by several of these states in the late 1970's which caused a mini-recession in their economies. It is a trend the labour exporting countries must take note of.

In April this year the Chairman of a leading foreign bank in the Middle East stated in his annual report for 1980 that comparatively few new projects were being started in the Gulf States. "Governments are adopting a more cautious approach and are taking longer to evaluate the possible benefits of large investments. Where joint ventures are involved, foreign partners are also looking more closely for assurance of adequate returns. One of the continuing problems is the shortage of skilled manpower".

The oil rich Gulf States now need less construction workers and unskilled labour and far more technical personnel to operate their industries and the other facilities that have been built. This was also evident in the drop in numbers of migrants to these countries in 1980.

Signs were clear that the heavy construction drive had been halted with many empty or unfinished buildings spread across the Gulf region. In Kuwait and the Emirates thousands of flats and apartments that mushroomed virtually overnight were left unoccupied. The global recession at the end of the 1970's, and also the extravagant expenditure within these states, resulted in an inflation rate of over 40 percent in some states. Banks were compelled to adopt a more cautious policy which in turn left many construc-

tion projects only half finished. Sharjah for instance, was described as "a space age ghost town" with its modern buildings lying in the desert half completed. The ambitious Trade and Exhibition Centre in Dubai, the highest building in the Gulf, which cost around \$100 million to build has been referred to as Dubai's biggest. "White Elephant", since it was empty for most part of the year. In attempting a giant step to modernization social factors were also causing problems in some states with the clash between the traditional and the more westernized ways and thinking. Thus, in Jedah, Saudi Arabia, a \$500 million 200-unit apartment complex is yet not occupied almost a year after completion, because religious conservatives objected to the lack of separate elevators for women. The statement of Jedah's young mayor, MoHamed Said Farsi, an architect educated in Egypt and Britain, that: "Our biggest problem has been too rapid expansion" is typical of the attitude of the authorities in these states, who are concerned over the adverse effects of their modernization drive.

#### Impact on Labour Exporting Countries

Both Asian and Arab countries have benefitted but also face problems as a result of this flow of migrant labour into the Gulf. Though migrant workers have brought in much needed foreign exchange into their countries a large part of this has been spent on consumer goods rather than in the form of capital investment. Labour exporting countries have generally succeeded in attracting remittances from their migrant workers but have not given sufficient attention to the utilization of these remittances. Studies have shown that not much productive investments came from their remittances and the bulk of these funds had contributed little to the long term development potential of the respective countries. For instance, on their return to this country most of the migrant workers, largely unskilled or semi-skilled, have found it necessary to spend almost entirely on immediate consumption in order to display their signs of upward social mobility and immediate possibilities of conspicuous consumption imitative of the upper classes in Sri

Lanka. This type of spending has generally been found to lead to an increase in imports and boost money supply in an inflationary manner as several of these labour exporting countries permit imports of the consumer goods on which foreign remittances can be spent. To this extent the benefits are said to be mainly short term, and some economists argue that within this time frame they are largely illusory.

Further, from the standpoint of the labour exporting countries it has been found that a major cost to them is the loss of the output of the emigrants. During the initial stages of emigration, this loss may be small, as those who leave are generally unemployed, or under-employed; but as the outflow continues the output loss increases and is begun to be felt, while workers staying back press for higher wages, thus contributing to inflationary pressures.

The drain of skills from labour exporting countries has also caused a set back to their own development programmes. In Bangladesh, for instance, the main loss has been in terms of technicians of all kinds, especially factory technicians, fitters, welders and mechanics. Several of the development projects and major industries here have lost their skilled man power in this exodus. To quote an example given by Michael Scott in his pamphlet on Bangladesh: "In Chittagong there is a large scale water project that should have ten very experienced civil engineers on site. Work has stopped.. People who previously wanted to be in the field because the allowances were better, now want to be in Dacca because they can attract the eye of some person who will send them to the Middle East".

There are also the social consequences that stem from this outflow of migrants. Large numbers of children are said to be growing up with only one parent; for some without fathers in societies where the male traditionally exercises parental control; while in others they are deprived of essential maternal care of those mothers who have joined the trek of female migrant workers. Again, a younger generation of workers return to

their families with far more money and higher expectations and different life styles than they had earlier in their homes and this has resulted in various domestic tensions.

#### Sri Lankans in the Gulf

In the light of the foregoing analysis the question arises as to how beneficial this migration is to Sri Lankans and the economy as a whole.

As observed earlier, several countries such as Pakistan, India, Bangladesh, Indonesia, Philippines and South Korea have all been supplying construction labour to the Gulf states throughout the 1970's. These employment opportunities became available to Sri Lankans from about 1975 or so. Since then increasingly large numbers have been migrating for employment in the oil rich states. It has averaged around 10,000 a year and today the Sri Lankan migrant population in this region is estimated to the about 35,000-40,000, though the high estimates place the number of Sri Lankans in Dubai alone at 30,000 and total in the Gulf at over 50,000. The trend in labour migration from Sri Lanka has been slightly different from that of the other Asian countries in that while many of the other countries placed restrictions on export of female labour, Sri Lanka decided not to do so. One result of this policy is that the largest occupational group of Sri Lankans employed in the Gulf states are 'housemaids'.

Also the nature of Sri Lankan migration (according to Sri Lankans who worked in the Gulf) is quite different from that of, for instance the Indian migrant worker. Indian migrants went into the Gulf States in large numbers on block visas and often without assurances of employment from the other end, before they went in. The result was that many had to turn to any work available and were at the mercy of contractors on the work sites. Sri Lankans, on the other hand, were generally selected for specific employment prior to leaving for the Gulf and assured of work before they arrived: though there have been cases of exploitation and severe hardships here too, but through different circumstances.

Over the 1970's more and more employed and unemployed persons have continued to migrate to the Middle Eastern and African countries lured by, apparently high salaries and the promise of a better life than before. It has attracted as Middle East migrants not only large sections of youth still to be employed, but also vital groups of skilled workers. What was earlier in the 1970's largely a drain to the Western countries of Sri Lanka professionals, now turned out to be a 'brawn' drain with large numbers of skilled, semi-skilled and unskilled workers seeking employment in the Gulf States. Stimulating their urge to seek a 'job' at any cost in the Gulf has been the signs of apparent prosperity and conspicuous consumption of both migrants who return and their families who receive remittances. Also, many of the Sri Lankan workers who have returned from the Gulf either on holiday or at the expiry of their contract have painted rosy pictures of the attractions of employment in the Gulf.

These migrants normally find employment through recruiting agencies that have sprung up mainly in Colombo for this explicit purpose. The agencies recruiting labour for foreign employment have found this to be a lucrative business and their number which was around 100 in 1977 exceeded 300 by 1979. In addition, the Department of Labour set up its own Foreign Employment Division and has been responsible for nearly 10 percent of the recruitment in the Gulf states. As has happened in several of the labour exporting countries many of the smaller agencies have exploited the migrant labour anxious to find employment in the Gulf. Late last year the government was compelled to bring in legislation to control the activities of these agencies. Still many small unregistered agencies continue to function. Apart from the recruiting agencies a small proportion of migrants continue to obtain employment in these countries through personal contacts with friends and relations employed abroad.

The subject of migration of workers from Sri Lanka to the Middle East has not been studied in great depth and about the only survey and regular monitoring locally of the situation up-to date has been carried out by

Table 7—SRI LANKANS WHO OBTAINED EMPLOYMENT IN THE MIDDLE EASTERN COUNTRIES 1978

Distribution by Major Manpower Levels

| Manpower Level (Category) | Through Labour Department | Through Employment Agencies | Total | %     |
|---------------------------|---------------------------|-----------------------------|-------|-------|
| High                      | 01                        | 199                         | 200   | 2.5   |
| Middle                    | 45                        | 564                         | 609   | 2.5   |
| Skilled                   | 1,617                     | 1,996                       | 3,613 | 04.5  |
| Unskilled                 | 278                       | 3,382                       | 3,660 | 45.0  |
| Total                     | 1,941                     | 6,141                       | 8,082 | 100.0 |

(Data collected from 27 private employment agencies and the Department of Labour.)

Source: *Employment of Sri Lankans in West Asia*, Ministry of Plan Implementation, 1978.

the Ministry of Plan Implementation. This survey, which in 1979 collected the data of 57 of the nearly 300 existing employment agencies, has revealed that from about 6,000 Sri Lankan migrants to the Middle East in 1977, the number has risen to 8,000 in 1978 and 9,000 in 1979. It must be emphasised that the number could be very much larger if the non-reporting agencies had also revealed their position. In 1979 these 57 agencies and the Department of Labour sent out 9,422 persons, as seen in table 8 below.

Analysing this data, which can be considered fairly representative, we find that nearly 65 percent of the total number were from the unskilled manpower category, (one-third of all migrants being housemaids). About 25 percent were from the skilled manpower category; while the middle level manpower comprising surveyors, draughtsmen, pharmacists, technicians, supervisors, foremen, clerks and typists comprised only 8 percent; and high level manpower from professionals such as doctors, engineers, accountants and managers made up only 2 percent of the total. However, even this two percent totalling 162, was significant in that there were 58 engineers, 40 accountants, 7 doctors, 44 senior managers and 13 higher technical or scientific per-

sonnel among them. This is a considerable number of professionals for a country to lose in one year, especially with its own massive development programmes in hand and its existing shortage of professional skills. The actual outflow can be regarded as much higher when the unrecorded number of migrant professionals are also taken into consideration (The Materials and Manpower Division of the Ministry of Finance and Planning had reported that as many as 538 engineers had left government service during the last three years). There was also a steady flow of professionals finding jobs in the developed countries in the West. The proportion of high level manpower was even higher in 1978 and as many as 200 professionals were recorded as having left for the Middle East that year. (See table 7 above). The majority were accountants numbering 112, followed by 84 engineers. Nearly all recruitment at this level is through the private agencies.

The other category of manpower where migration can be considered significant is that of skilled workers. The outflow of skilled labour in 1978 was far greater than what took place in 1979; the main reason being that the Department of Labour was able to recruit fewer skilled workers in

Table 8—SRI LANKANS WHO OBTAINED EMPLOYMENT IN THE MIDDLE EASTERN COUNTRIES—1979

Distribution by Major Groups of Manpower Levels

| Manpower (Category) Levels | Through Labour Department | Through Employment Agencies | Total | %     |
|----------------------------|---------------------------|-----------------------------|-------|-------|
| High                       | 03                        | 159                         | 162   | 2.0   |
| Middle                     | 124                       | 585                         | 709   | 8.0   |
| Skilled                    | 346                       | 2,103                       | 2,449 | 26.0  |
| Unskilled                  | 336                       | 5,766                       | 2,103 | 60.0  |
| Total                      | 809                       | 8,614                       | 9,423 | 100.0 |

Source: "Migration of Sri Lankans to the Middle Eastern Countries" Plan Implementation Ministry, 1979.

1979. The result was that while in 1978 nearly 45 percent of all those who obtained employment in the Middle Eastern countries were from the skilled category, in 1979 only about 25 percent of all recruits were from this category. The Department of Labour found employment for 1,680 skilled workers in 1978 whereas in 1979 the number fell to only 346. Meanwhile, the private recruitment agencies increased the number of skilled labour they placed in foreign employment from 1,976 in 1978 to 2,071 in 1979. The largest number of skilled workers over these two years have been drivers, followed by carpenters, masons, and mechanics. Machine operators, electricians and painters also comprised a significant proportion of skilled migrant workers (See table 9).

A consequence of this migration is that any intermediate and low level skills are in short supply and important public services are affected as a result of this lack of skilled manpower. Transport services, for instance, have suffered from the dearth of drivers and mechanics, while the telecommunications, electricity and other such public utility services have also been affected with the exodus of wiremen, electricians, technicians and similar skilled personnel. There is also a growing demand within the country for such skills. One estimate of manpower requirements for the Mahaveli Project alone placed the number of skilled workers required at about 9,000 in 1979 and 13,000 in 1981, an additional 4,000 over these three years. What has happened, however, is that over each of the last three years approximately 4,000 skilled workers have migrated annually. In 1978 the Ministry of Plan Implementation, considering all major development programmes, prepared an estimate (see table 10 on right) where Sri Lanka's requirements of masons was placed at 6,775 in 1979 and 5,675 in 1980. In respect of carpenters the requirement was 5,150 in 1979 and 3800 in 1980; mechanics 2,750 in 1979 and 2,825 in 1980; and electricians 320 in 1979 and 370 in 1980.

The Director of the Ministry of Plan Implementation's Manpower Planning Division also warned in a report in 1978 that though a slow efflux of skilled and unskilled labour was advantageous, both in view of

Table 9—SRI LANKANS WHO OBTAINED EMPLOYMENT IN THE MIDDLE EASTERN COUNTRIES 1978-1979 (Skilled Manpower)

| Occupation            | Through Dept. of Labour |      | Through Private Agencies |      | Total |      |
|-----------------------|-------------------------|------|--------------------------|------|-------|------|
|                       | 1978                    | 1979 | 1978                     | 1979 | 1978  | 1979 |
| Electricians ...      | 36                      | 36   | 154                      | 152  | 190   | 188  |
| Carpenters ...        | 502                     | 92   | 253                      | 261  | 755   | 353  |
| Masons ...            | 459                     | 38   | 188                      | 109  | 647   | 147  |
| Mechanics ...         | 24                      | 35   | 278                      | 176  | 302   | 311  |
| Drivers ...           | 270                     | 36   | 374                      | 388  | 647   | 424  |
| Cooks ...             | 10                      | 03   | 191                      | 209  | 201   | 212  |
| Welders ...           | 19                      | 04   | 49                       | 78   | 68    | 82   |
| Blacksmiths ...       | 01                      | —    | 01                       | 02   | 02    | 02   |
| Fitters ...           | 02                      | 14   | 77                       | 74   | 79    | 88   |
| Steel Fixers ...      | 70                      | —    | 24                       | 62   | 94    | 62   |
| Plumbers ...          | 22                      | 12   | 56                       | 67   | 78    | 79   |
| Barbenders ...        | 86                      | —    | 63                       | 01   | 148   | 01   |
| Painters ...          | 39                      | 38   | 57                       | 70   | 76    | 108  |
| Machinists ...        | —                       | —    | 08                       | 17   | 08    | 17   |
| Machine Operators ... | 05                      | 27   | 70                       | 187  | 75    | 214  |
| Others * ...          | 73                      | 11   | 153                      | 150  | 226   | 161  |
| Total ...             | 1617                    | 346  | 1996                     | 2103 | 3613  | 2449 |

\* Includes Riggers, Tinkers, Bakers, Barbers, Tailors, Printers, Artists

Source: *Employment of Sri Lankans in West Asia Ministry of Plan Implementation, 1979.*

TABLE 10 Sri Lanka's Skilled Manpower Requirements

| Category                    | 1979 | 1980 |
|-----------------------------|------|------|
| 1. Masons                   | 6775 | 5675 |
| 2. Carpenter                | 5150 | 3800 |
| 3. Welders                  | 520  | 505  |
| 4. Mechanics                | 2750 | 2825 |
| 5. Fitters                  | 285  | 290  |
| 6. Electricians             | 320  | 370  |
| 7. Machinists               | 475  | 525  |
| 8. Plumbers                 | 165  | 140  |
| 9. Tinkers                  | 180  | 175  |
| 10. Blacksmiths             | 310  | 310  |
| 12. Heavy machine operators | 355  | 360  |
| 13. Painters                | 280  | 295  |

the prevailing unemployment situation and the benefits of foreign exchange remittances; foreign employment outflows of middle level and skilled manpower in large numbers would adversely affect the country's programmed development activities. He emphasised that manpower requirements, particularly in engineering occupations, had largely increased that year and that large numbers would be required in 1979 and after for the development projects such as the accelerated Mahaveli Programme, the housing and construction programme of the Ministry of Local Government and Housing, the Greater Colombo Economic Commission, and private sector demands arising from import liberalisation of both machinery and raw material. The categories most in demand for these development projects were expected to be train-

ed personnel at middle level such as construction technicians foremen, construction superintendents, surveyors and draughtsmen; and craft level trained personnel in masonry, carpentry, welding, blacksmithy trades; and mechanics, electricians, machine operators and vehicle drivers. It was therefore necessary to increase training capacity to meet the immediate demand to train personnel in these occupations and also to take steps to curtail these outflows if the recruitment situation became severe when the programmed development projects got underway.

There were, however, possible benefits that could accrue to the country by allowing middle level and skilled manpower output. These are listed as:

- (i) the beneficial impact on the unemployment situation by withdrawal of surplus manpower;
- (ii) foreign exchange remittances made by migrants;
- (iii) experience gained by working in large construction and engineering undertakings being valuable since a good proportion of the migrants return to the country unlike in the case of highlevel manpower who migrate for long periods;

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- (iv) imported goods sent here by the migrants will partly meet the local demand thereby reducing the need for foreign exchange requirements for imports;
  - (v) income support of low income families by migrants by way of remittances while resident abroad.

#### Source of Foreign Exchange

One of Sri Lanka's major sources of foreign exchange, from the latter part of the 1970's, has turned out to be the remittances of its nationals employed in the Middle East countries. Sri Lankans employed in the Gulf States make regular remittances either to their own bank accounts or to those of relations and friends in the country. (It is difficult to make accurate estimates of the value of remittances and sources as in many cases these remittances are channelled through European Banks to Sri Lanka and this is the only information on the source of origin of these remittances available with the Commercial Banks). Total remittances made by Sri Lankans employed in the Middle East amounted, according to approximate estimates, to about Rs. 45 million in 1975; about Rs. 80 million in 1976; and about Rs. 175 million in 1977.

The number of migrant workers from Sri Lanka to the Middle East went up from an estimated 2,000-3,000 in 1976 to almost 6,000 in 1977. This heavy outflow of workers continued into 1978 and in that year reached nearly 10,000 (8,082 recorded officially as recruited by the Department of Labour and 27 private employment agencies (see table 7). By the end of 1978 there were almost 20,000 Sri Lankans in the Middle East countries and their remittances had moved up from about Rs. 175 million in 1977 to almost Rs. 500 million in 1978. The state banks had also extended greater inducements and more facilities to Sri Lankans in the Middle East and this was one factor that helped in stepping up the rate of remittances.

In 1979 perhaps the largest number of recruitments for foreign employment were recorded. Officially it was found that 9,423 were sent out by 57 private agencies and the

Department of Labour; although it is estimated that at least another 2,000 could have been recruited for employment abroad by the other employment agencies and through personal contact. Remittances have in turn kept further mounting over the last two years and (even if the

adjusted rupee rate following the rupee devaluation after 1977 is taken into consideration) this has turned out to be a considerable source of foreign exchange earnings. In 1979 from total private transfer payments to Sri Lanka of Rs. 935 million, an estimated Rs.

75 - 200  
79 - 800  
80 - 2000

750 - Rs. 800 million could be regarded as earnings remitted from the Middle East. In 1980 private transfer payments for the first six months alone exceeded Rs. 1,000 million, and it is possible that Middle East remittances of the first half of last year alone could have

exceeded the record earnings of Rs. 750-Rs. 800 million remitted in the whole of 1979. (See table 3). The data for the whole of 1980 is still not available but foreign exchange earnings from Middle East remittances were estimated to exceed Rs. 2,000 million during last

year.

#### **Socio-Economic Problems**

There were on the other hand considerable socio-economic problems created with these remittances flowing into the labour exporting countries and with the return home of this migrant labour.

In Sri Lanka's case, we see from the brief survey by S. L. Tilakasiri and Asoka de Silva of a village influenced by the migrating trend, in the Ambalangoda area, (see box), that though there were definite signs

of affluence now in this particular village there were also various social problems that have arisen. Again, in the Jaffna district from where large numbers of youth have migrated for employment abroad,

there are distinct reverberations on the socio-economic structure of some of the strongly tradition-bound villages of this area, as the observations made by Nihal Perera reveal. (See box).

The Muslim Community, particularly the more underprivileged sections of it, had also gained from the employment opportunities in the Middle East countries. Understandably for some occupations (for example, domestic service) the prospective employers being Muslims had preferred Sri Lankan Muslims. Increased income and savings from employment in the Middle East has, as among the Sinhalese at Ambalangoda and Tamils in Jaffna, been spent largely on consumables and housing, though a little may have trickled to petty trading. The visible effects of any upward social mobility and life styles among the Muslims consequent to increasing incomes generated by Middle East employment is difficult to discern, as they are diffused all over Sri Lanka. Unfortunately due to this same diffusion, any envy of their upward mobility by their former class collaterals could easily leak into racial prejudices.

It is evident that changes have begun to appear in the pattern of consumption within the country from the latter part of 1970, but as to how far the Middle East migration influenced this trend is not clear. What is certain, however, is that consumption patterns have changed for most families of those who have received employment in the Middle East. The necessity to harness the foreign exchange earnings of Sri Lankans to the country's development programme has been emphasised in this context.

It is common knowledge that there has been a heavy inflow of a wide range of consumer items, sent in by Sri Lankans employed abroad. They convert part of their earnings into goods like textiles, radio sets and electrical appliances, and even items like motor vehicles which are sent to their relatives and friends or bring them along when they return. Thus even in the low-income households radio sets and expensive textiles and garments may be observed, which is possibly a trend motivated by these goods originally flowing in freely from the Middle East and the Western and other developed countries where there are concentrations of Sri Lankan migrants.

Another problem for the labour supplying countries, not very apparent, is that when the migrants leave it not merely depletes the labour force of that country. Migrants, particularly workers whose cost of upbringing and training have been borne by these countries are lost to them during their most productive years. This issue was raised forcefully when the 'brain drain' of the 1960's and early 70's effected Sri Lanka, but now it is apparent that the skills drain is having the same effect. Also, selectivity is such that it tends to take many of the most able members within each skill level of the workers who can migrate. The loss to a country like Sri Lanka is therefore far greater than numbers alone may suggest. In many instances those countries supplying labour are losing workers from the sectors most crucial to their development. This labour has been trained by the source countries at a considerable cost, but the earnings they bring back cannot fully compensate for the investment in labour which the poorer countries have been deprived of.

Table 11—SRI LANKA WOMEN WHO OBTAINED EMPLOYMENT IN THE MIDDLE EASTERN COUNTRIES 1978 and 1979

| Occupation                       | 1978  | Total | 1979  |
|----------------------------------|-------|-------|-------|
| Clerical and Allied Services ... | 23    |       | 30    |
| Manageress ...                   | —     |       | 06    |
| Nurses ...                       | 07    |       | 08    |
| Housemaids ...                   | 1,384 |       | 3,236 |
| * Others ...                     | —     |       | 23    |
| Total ...                        | 1,414 |       | 3,303 |

\* Labourers, Waitresses, Cooks.

Sources: *Employment of Sri Lanka, In West Asia Ministry of Plan Implementation 1979.*

Table 12—DISTRIBUTION OF SRI LANKAN WOMEN WHO THE MIDDLE EASTERN COUNTRIES 1979

| Occupation                 | Saudi Arabia | Kuwait | United Arab Emirates | Oman | Qatar | Baharain | Jordan | Total |
|----------------------------|--------------|--------|----------------------|------|-------|----------|--------|-------|
| Clerical & Allied Services | —            | —      | 30                   | —    | —     | —        | —      | 30    |
| Manageress                 | —            | —      | 05                   | —    | —     | 01       | —      | 06    |
| Nurses                     | —            | 05     | 01                   | 02   | —     | —        | —      | 08    |
| Housemaids                 | 167          | 1464   | 65                   | 19   | 173   | 436      | 12     | 3236  |
| * Others                   | —            | —      | 20                   | —    | —     | 03       | —      | 23    |
| Total                      | 167          | 1469   | 1021                 | 1021 | 21    | 173      | 440    | 3303  |

\* Labourevs, Waitresses, Cooks, etc.

Source: *Employment of Sri Lanka In West Asia—Ministry of Plan Implementation*

#### Migration of Women

The large majority of those who obtained employment in the Middle East were from the unskilled manpower category. The total recorded figure for 1979 was 9,423 recruited of which 6,103 or 34 percent belonged to the unskilled category. (See table 8). In 1978 too data submitted by 27 private agencies and the Department of Labour was recorded and in that year the number of unskilled persons reported to have migrated was 3,382. In 1979, however, there was a very discernible increase of the unskilled manpower outflow contrary to trends of major labour exporting countries such as India and Pakistan; perhaps a wider coverage in recording may have accounted for part of the larger numbers in 1979. But proportionately there is a clear change with unskilled manpower accounting for 45 percent of the migrations in 1978, while in 1979 unskilled workers accounted for nearly 85 percent of the total.

A significant component of the unskilled labour category comprised females who secured employment as housemaids. The number of housemaids recruited through the reporting agencies alone amounted to 3,236 in 1979; exactly one-third of the entire num-

ber of recruits through these agencies for the year and more than 50 percent of all unskilled labour. The number of female unskilled workers could be regarded as very much higher than this recored figure since many of the smaller employment agencies (who have not submitted their data) are reported to have recruited mainly women.

But even from the officially recorded figures it is apparent that the demand for housemaids from Sri Lanka was clearly on the increase with the officially recorded figure for 1978 amounting to 1,384 and in 1979 an approximately 133 percent increase amounting to 3,230. (See tables 11 and 12).

The largest complement of Sri Lankan women, numbering 1,469 or 45 percent, migrated to Kuwait in 1979; while during the year as many as 1,021 women migrated to the United Arab Emirates and 440 to Baharain. Considerable numbers have also been recruited to serve as housemaids in Saudi Arabia, though the figure officially recorded here is comparatively small.

The problems of female recruitment have been spotlighted

and often sensationalised, in the press from time to time. It is a fact, however, that these women seek employment abroad, undergoing severe hardships, harassment and humiliation largely through force of circumstances. Certain aspects of this situation were reported on recently by the head of Sri Lanka's Women's Bureau, Vinitha Jayasinghe, when she paid a visit to some of these countries. (See box for her finding and recommendations). Excessive work; lack of free time; denial of earned wages; assault by landlady/landlord/agents; and improper conduct by landlord were the regular complaints brought to her notice by these women

Over a year earlier the Minister of Labour himself visited five Middle East countries, namely, Iraq, Kuwait, Saudi Arabia, Baharain and the U.A.E, and met Sri Lankan migrant labour employed in these countries. The women generally came out with tales of woe and it was obvious that they were not happy. But, as he reported back to Parliament on his visit when he offered to have them brought back none of them were prepared to leave.

In September 1978 the Director of Employment and Manpower Planning of the Ministry of Plan Implementation commenting on these difficulties and hazards faced by Sri Lankan female migrants urged greater controls thus: "the type of work that is largely available, in which recruitment of females is undertaken, is not compatible with our social and cultural environment. It is desirable and timely to take action to at least

control and curtail the supply of females from menial domestic work"

The treatment of female migrant labour in these countries and the desirability of permitting this situation to continue was even discussed by the Government late last year when it was decided not to ban female migrant labour altogether but to apply all necessary safeguards to ensure that harassment was minimised.

**Future Possibilities**

The highest number of departures of Sri Lanka workers to the Middle East was recorded in 1979. This was also the year in which the most number of passports were issued in Sri Lanka, averaging nearly 11,000 a month. (See table 4). In 1980 the number of passports issued had come down to around 8,000 a month and if this is any indication of the outflow of migrant workers there



should have been a fall in 1980. The change in the pattern of outflows had already occurred in some of the bigger labour exporting countries such as India and Pakistan. As stated earlier, with the gradual decrease in the construction phase in the Middle East the demand for semi-skilled labour is expected to drop while employment opportunities keep rising in the administrative and maintenance sectors at the higher and

middle levels.

A preliminary survey carried out by us in March this year showed that this trend in the need for higher level skills, was growing more firmly.

The demand for specific categories of migrant workers was very much in evidence in 1981 as well. Several employment agencies, however, continued to advertise for housemaids; though the emphasis had distinctly shifted towards Middle Level and Skilled Level manpower. Between the 14 days from March 24 to April 5 this year there were 14 prominent newspaper advertisements, or an average of one a day, asking for a wide range of skills ranging from various levels of surveyors, draughtsmen and statisticians to vehicle mechanics, electricians, field work supervisors; and mechanics for heavy equipment and construction machinery, drivers, fitters, carpenters, welders, pipe fitters, barbers, tailors and male dress makers and designers. There was also a steady demand for administrative and clerical positions. The countries requiring these personnel were Oman, Iraq, Saudi Arabia, the U.A.E. and Bahrain.

The greatest attraction seemed to lie in the salaries offered. Very often the salary earned in Sri Lanka in one year was equal to one or two months salary in the Middle East. This situation applies not only to the unskilled categories such as housemaids, labourers and cooks but also to the higher and middle level manpower, such as engineers, surveyors, statisticians and draughtsmen, as well as skilled labour such as drivers, electricians and mechanics. There has also been a trend towards higher salaries being offered.

Considering salaries of today with those offered two years ago we observe that engineers scales which varied between Rs. 10,000/- and Rs. 15,000/- a month in 1978 were now between Rs. 15,000/- to Rs. 25,000/-. Lower administrative and clerical grades whose monthly salaries were around Rs. 5,000/- were now around Rs. 10,000/-. Drivers salaries have gone up from a maximum of Rs. 5,000/- to over Rs 6,000/-; mechanics and electricians from about Rs. 4,000/- to about Rs. 5,000/-. Even the housemaids for the Gulf seemed to be harder to get now and salaries which were earlier around Rs. 1,500/- to Rs. 2,000/-

have now gone up to Rs. 3,000/- per month.

Several of the employment agencies contacted stated that there was a ready demand for female labour, though employers specified the need for a knowledge of English, and in some cases conditions such as attractive looking. Some agencies calling for female labour (housemaids or seamstresses) specified that departure was required within 7-14 days of selection, so urgent was their need. Except for the Philippines and Sri Lanka most labour export countries have discouraged migrant female labour.

In most cases, male and female, it may be observed that salaries are five to ten times more than what are paid in Sri Lanka. There is no doubt that the boom for construction workers has come to an end with this pace of development receding in the Middle East. Still, there are signs that employment opportunities are on the rise in the administrative and maintenance sectors, particularly at a high and middle level and it is in these categories that Sri Lankan workers will, over the next few years, be able to find most openings. The demand for female labour, particularly housemaids, is also expected to continue for some time.

The greatest fear in this pace of overseas employment is the possibility of its coming to an end too soon, especially when it has helped to ease the social and economic problems of the labour supplying country. There is the example of Turkey when as a result of the European recession many of the Turkish guest workers were compelled to return home. This created not only massive unemployment in Turkey but also substantially reduced the volume of remittances from Turkish migrant workers and contributed to serious financial problems which yet rock the Turkish economy. If this should happen to the countries supplying labour to the Middle East, many Asian governments will face the problem of the return of a large number of their workers to an already over supplied domestic market, just when their foreign exchange earnings from these sources also begin to decline. If this suddenly happens the social, political and financial consequences will not fail to hurt a number of fragile economies; though many informed assessments have predicted that the demand for labour particularly skilled, will continue fairly strongly over this decade.