

## Socio-Economic Impact of Unskilled Women Migration for Contract Work in Sri Lanka

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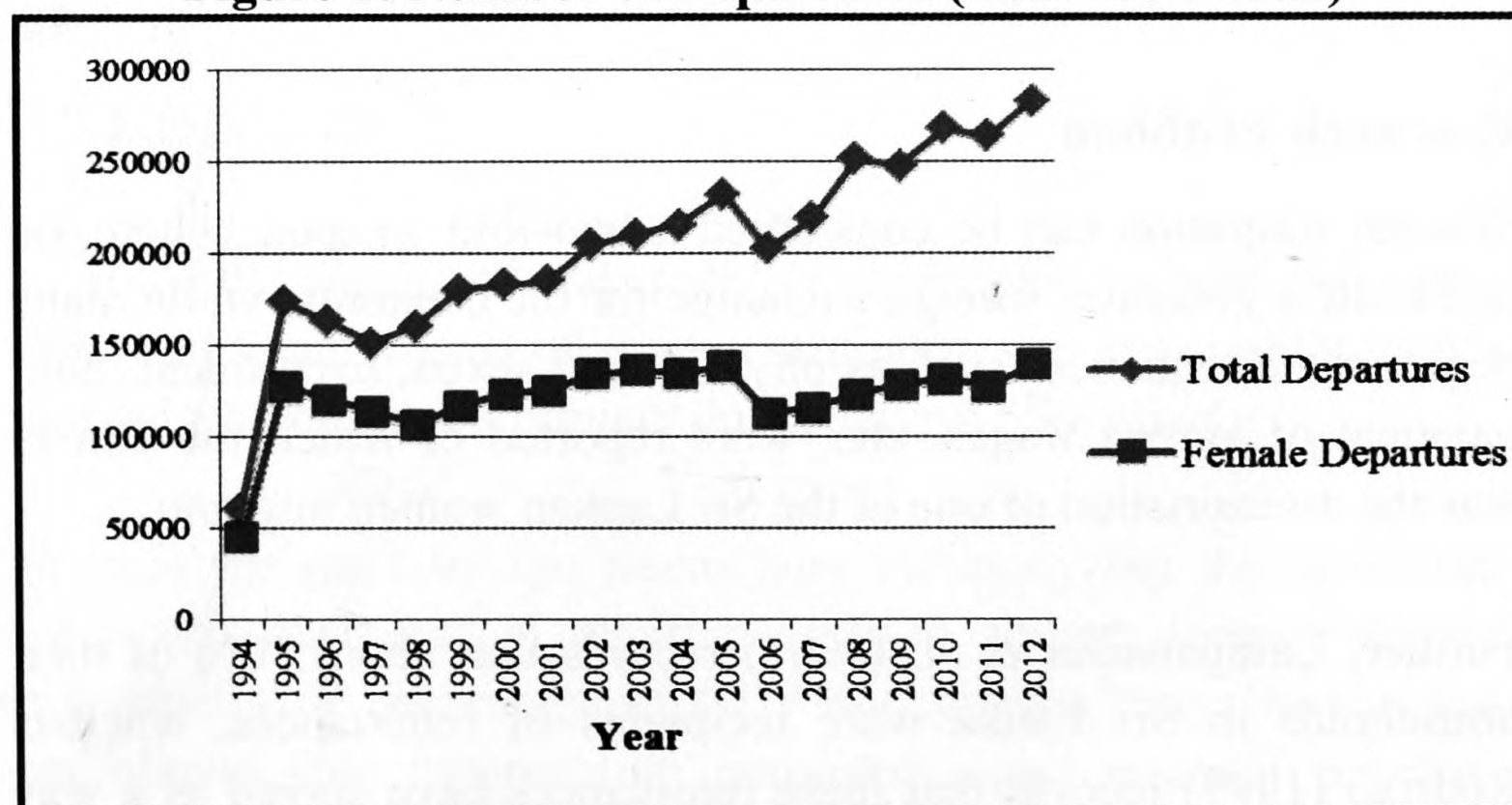
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### INTRODUCTION

International migration of Sri Lankans for the purpose of employment, especially as contract workers has been a very recent phenomenon, where, this trend was initiated by professionals. Accordingly, it is noted that the migration for the purpose of employment has been demonstrating an increasing trend, specifically of the women migration for employment purpose which is depicted by Figure 1 below.

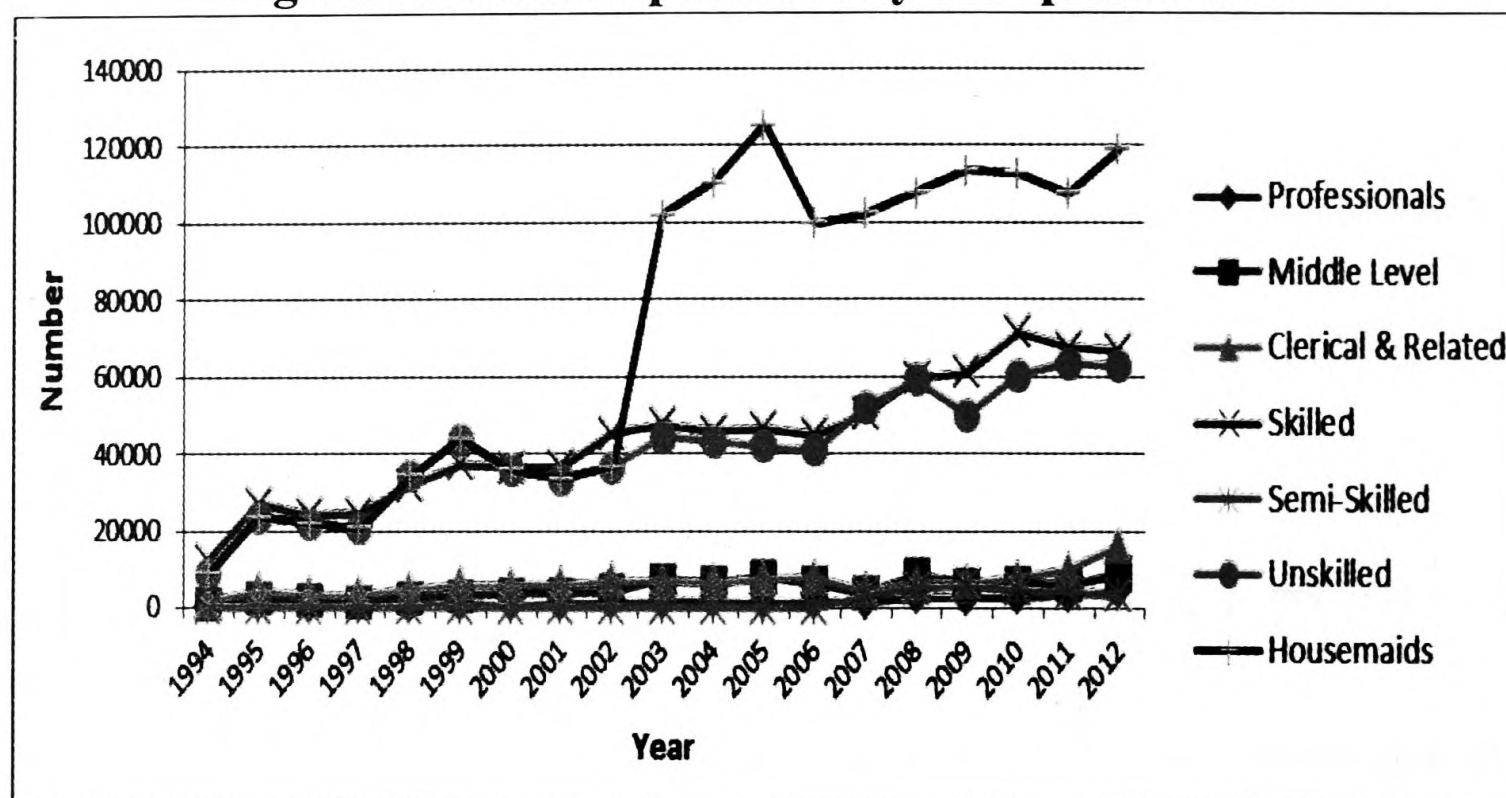
Figure 1: Number of Departures (Year 1994-2012)



Source : Author constructed

Further, the trend of migration of professionals has been overtaken by the unskilled migrants specifically migrating as housemaids, which accounts for 42% of the total migrants in year 2012, which is a 15% increase out of the total migrants in year 1994 (Figure 2).

**Figure 2: Total Departures by Manpower level**



Source : Author constructed

According to the Sri Lanka Bureau of Foreign Employment (SLBFE) (2011), migration is caused by low per-capita income, unemployment/ underemployment, high inflation, etc., and the highest percentage has migrated to Middle East countries of which it is noted that female migration is out-numbering that of males.

### Research Problem

Women migration can be considered a two-fold weapon, where, on one hand it generates foreign exchange for the economy, while many negative consequences such as physical and sexual harassment, non-payment of agreed wages, etc., were reported of which the climax was the assassination of one of the Sri Lankan women migrants.

Further, Lasagabaster et al. (2005) records that about 10% of total households in Sri Lanka were recipients of remittances, whereas Rodrigo (1999) records that these remittances have served as a way

of poverty alleviation for around one fifth of the population living in poverty. In a background of increasing women migrants and records of increasing remittances, the annual report of the Sri Lanka Bureau of Foreign Employment (SLBFE) (2011), records an increasing trend in the number of complaints received; particularly from those who migrated as housemaids. On the other hand many problems faced by the children left-behind by migrant workers were recorded by the media.(Daily News 15 March 2007; Human Rights Watch 2007). Thereby the research problem of this study was, “Whether women migration as contract workers has caused any socio-economic impact to the Sri Lankan economy”.

### **Aims and Objectives**

The aim of the study was to find out the social and economic impact of unskilled women migration towards the Sri Lankan economy. The study addressed the following two objectives:

- a. To identify the economic impact of women migrants in Sri Lankan economy
- b. To identify the social impact of women migrants in Sri Lankan economy

### **METHODOLOGY**

The research design of the study is descriptive where economic impact and social impact of women migration was assessed through a historical analysis and a primary data analysis respectively.

The variables used by the researchers for analyzing the economic impact are net personal remittances from abroad; foreign private remittances as a percentage of GDP and foreign direct investment from abroad (for comparative purposes) and material benefits,

education and health of the children, and family dissolution as the variables to analyse the social impact.

Based on the literature, primary data was collected through a sample survey carried out in the Hanwella District Secretarial Division using stratified random sampling in selecting respondents from the two categories of families of which the female migrant is currently abroad and of which the female migrant is currently back in Sri Lanka after one contract period and snow-ball method of sampling in selecting the respondents from each category, focused group discussions, in-depth and structured interviews and observations whereas secondary data was gathered on the selected variables from various sources such as the world bank database, Annual Reports of Central Bank of Sri Lanka, SLBFE, Parliamentary Acts on labour migration of Sri Lanka and databases such as the World Bank database.

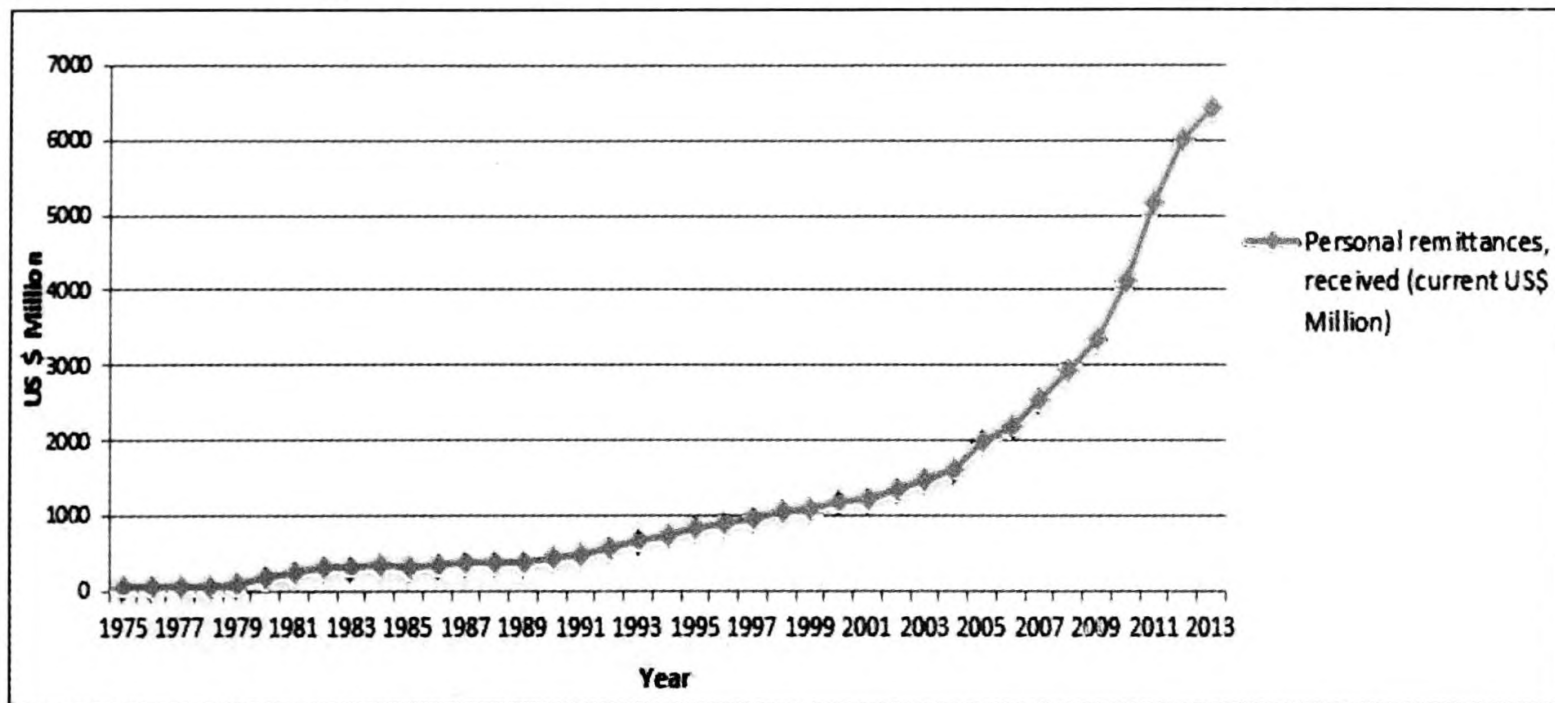
The analysis of the study was mainly descriptive in nature where secondary data on the variables chosen to analyse the economic impact was analyzed through graphs generated using Microsoft Excel while extensive use of the SPSS package was taken in analyzing the primary data gathered through the questionnaire.

## **RESULTS AND FINDINGS**

### **Economic Impact**

Secondary data of foreign remittances of Sri Lanka for the period during the years 1975 - 2012 reveal that the inflows are witnessing a steady growth from US \$ 8.56 million to US \$ 5,985 million during the years 1975 to 2012 (Figure 3). Further it is noted that the years 2004, 2010 and 2011 recorded a sharp increase compared to that of the respective previous years.

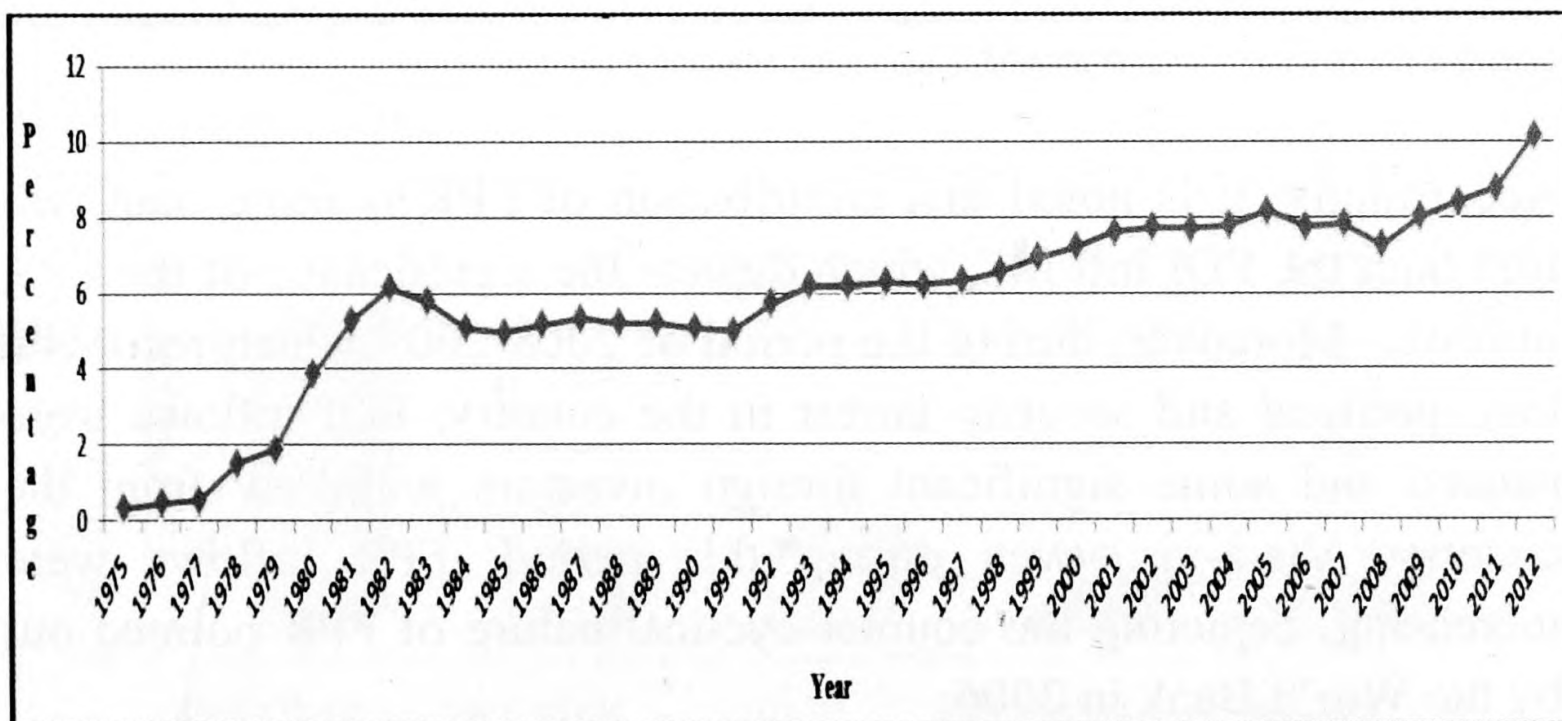
**Figure 3: Private Remittances (Rs. Million)**



Source : Author constructed

Figure 3 reveals that out of the total foreign private remittances, remittances from the Middle East countries holds a major proportion which may have been caused by the fact that around 84% of the total labour migrants of Sri Lanka had being attracted by Middle Eastern countries such as Saudi Arabia, Kuwait, Jordan etc.

**Figure 4: Foreign Private Remittances as a Percentage of GDP**

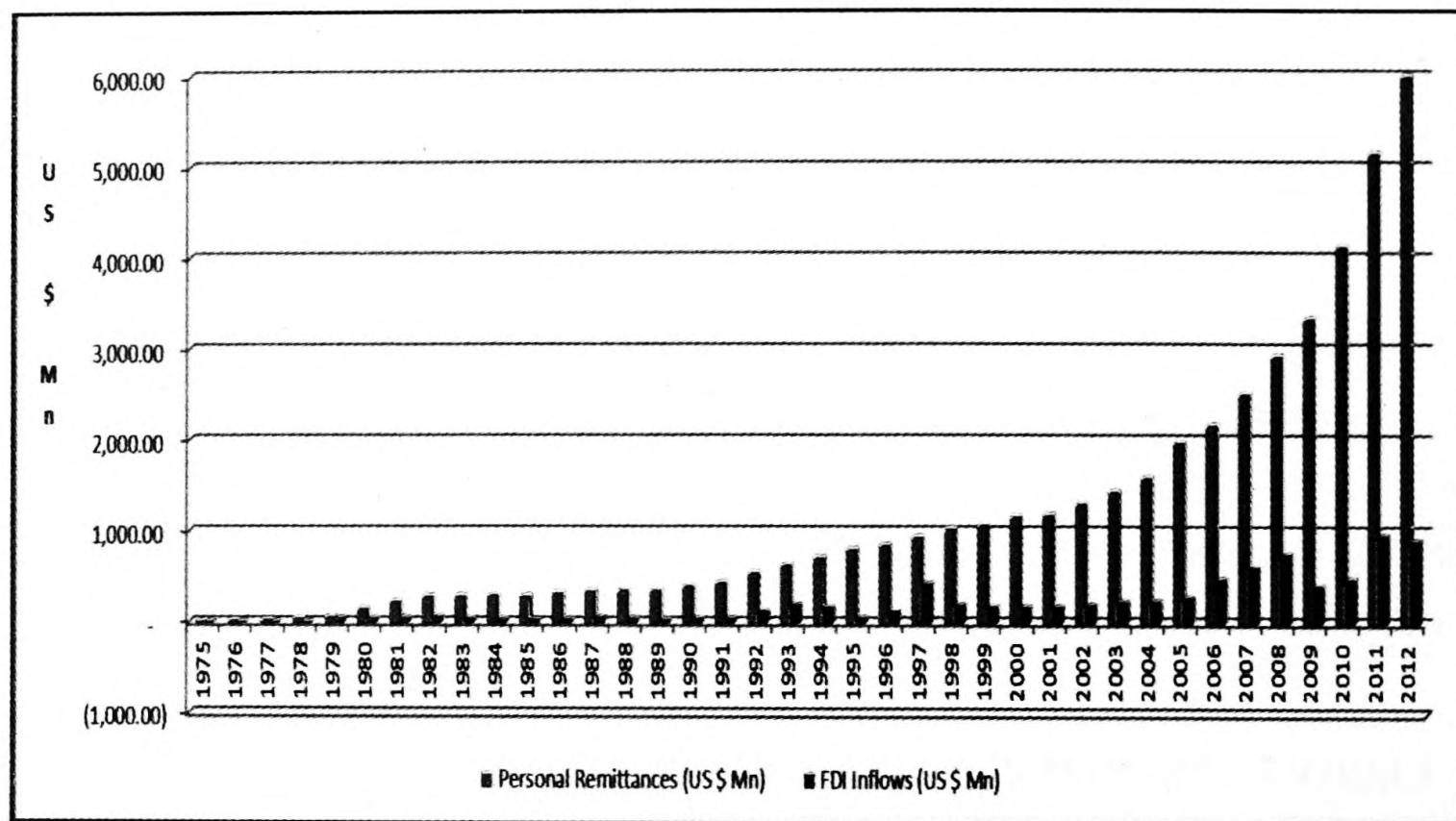


Source : Author constructed

When considering the percentage contribution of foreign private remittances to the GDP of Sri Lanka, the Figure 4 reveals that the contribution has increased more than 100% during the past three decades where the contribution has risen from a level of 0.22% of the GDP in 1975 to 10% of the GDP by the end of year 2012.

With the purpose of undertaking a comparative analysis of Foreign Private Remittances (FPR) as a source of foreign currency inflow to the country, it was compared with the Foreign Direct Investment (FDI) inflows to Sri Lanka within the period of 1975 – 2012, which is elaborated in Figure 4.

**Figure 5: Comparative Analysis of Personal Foreign Remittances and FDI Inflows**



Source : Author constructed

Accordingly, it is noted that contribution of FPR is more than two fold than the FDI inflows, which depicts the significance of the FPR inflows. Moreover, during the period of 2008-2009 which records a high political and security unrest in the country, FDI inflows were paused and some significant foreign investors withdrew from the country. Vis-à-vis, even during this period, FPR inflows were increasing, depicting the counter-cyclical nature of FPR pointed out by the World Bank in 2006.

Further exploration of the effect of FPR on the Balance of Payment (BOP), it is revealed that it has been working as a cushion against the negative impact of trade balance of Sri Lanka. For instance, during the period from 2004 – 2008, during which an external supply-side shock due to a rapid rise in international oil prices hit the world, the

sharp deterioration of the trade account was negated by higher flows of FPR.

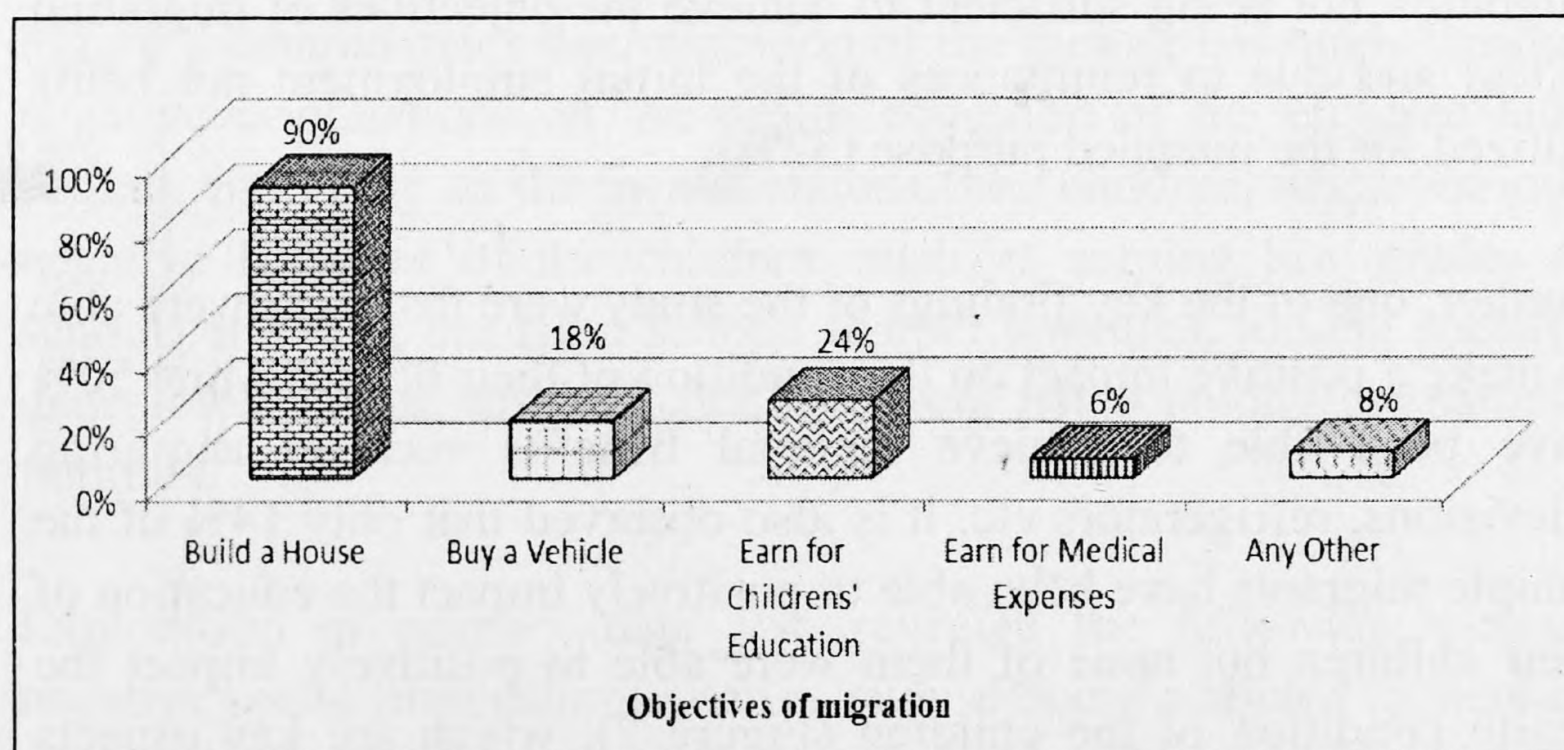
At a very micro-level, primary data revealed that in 82% of the cases, the family income has increased due to the female migration, which may, in turn, increase the domestic consumption level as well as the savings, which will be discussed in the succeeding section.

### Social Impact

Study of primary data revealed that low family income (78%), limited employment in the country (8%), husband being unemployed (4%) number of family members being higher than four (extended families), extended family patterns, etc., was the main reason behind the women migration and the main objectives of women migrating (as depicted by Figure 6) was to build a house, purchase a vehicle, earn for children's education and earn for medical expenses, raising the issue of effectiveness of the free-education and free-health system of the country.

**Figure 6: Objectives of Migration**

*Source: Survey data, 2013*



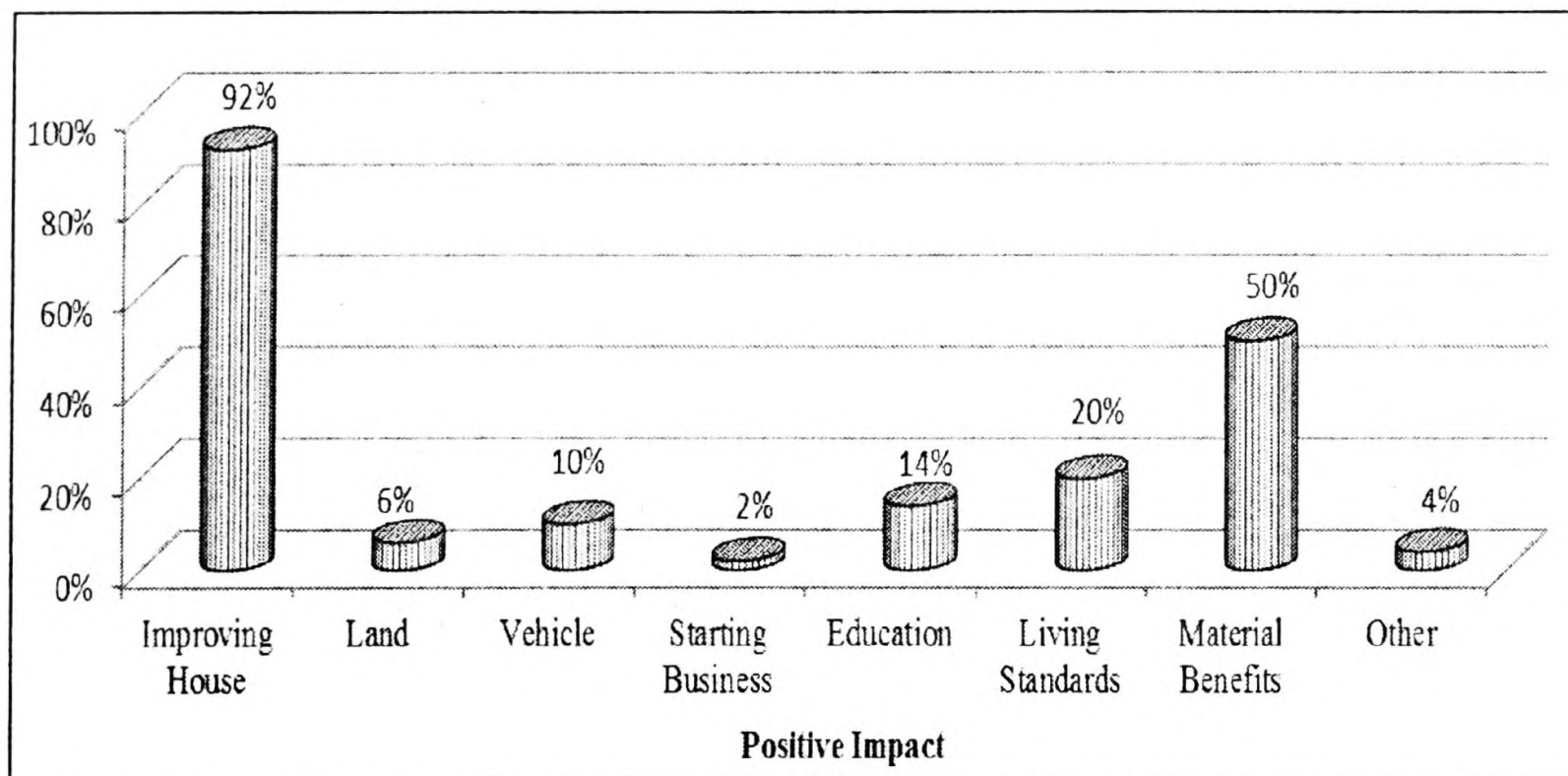
It was also observed that the majority (80% of the sample) of the migrants left as housemaids and 82% were earning Rs. 10,000-25,000

where 84% of the sample have been attracted by Middle Eastern countries such as Saudi Arabia, Kuwait, etc.

The study revealed, that although these women migrants have been earning Rs. 10,000.00 on average for a period of minimum 2 years, 60% of the migrants were not able to achieve its objective of migration mainly due to remittances not utilized for the intended purpose, high current consumption and gap between expected and actual salaries received. This clearly demonstrate the issue of mismanagement of the foreign remittances at the micro level, which will in turn lead to repeated migration, until such time the objectives are achieved upon. It was also observed that, none of the respondents who could not achieve their objectives in migration, could save an amount of the remittances; which could be a threatening situation, since domestic savings is vital in the development process.

It was also revealed that, 76% of the respondents who were back in Sri Lanka after one contract period (in general a contract period is 02 years) were planning on migrating to another country on a contract,. An in-depth analysis revealed that the reason for this repeated-migration decision was mainly due to income earned in the initial migration not being sufficient to achieve the objectives of migrating (53%) and due to remittances of the initial employment not being utilized for the intended purpose (32%).

Further, one of the key findings of the study were that 92% were able to make a positive impact on the condition of their houses while 50% have been able to achieve material benefits such as acquiring televisions, refrigerators etc. it is also observed that only 14% of the sample migrants have been able to positively impact the education of their children but none of them were able to positively impact the health condition of the children (Figure 7), which are key aspects denoting the social impact of the women migration to the migrants' families.

**Figure 7: Positive Impact of Migration**

Source: Survey data, 2013

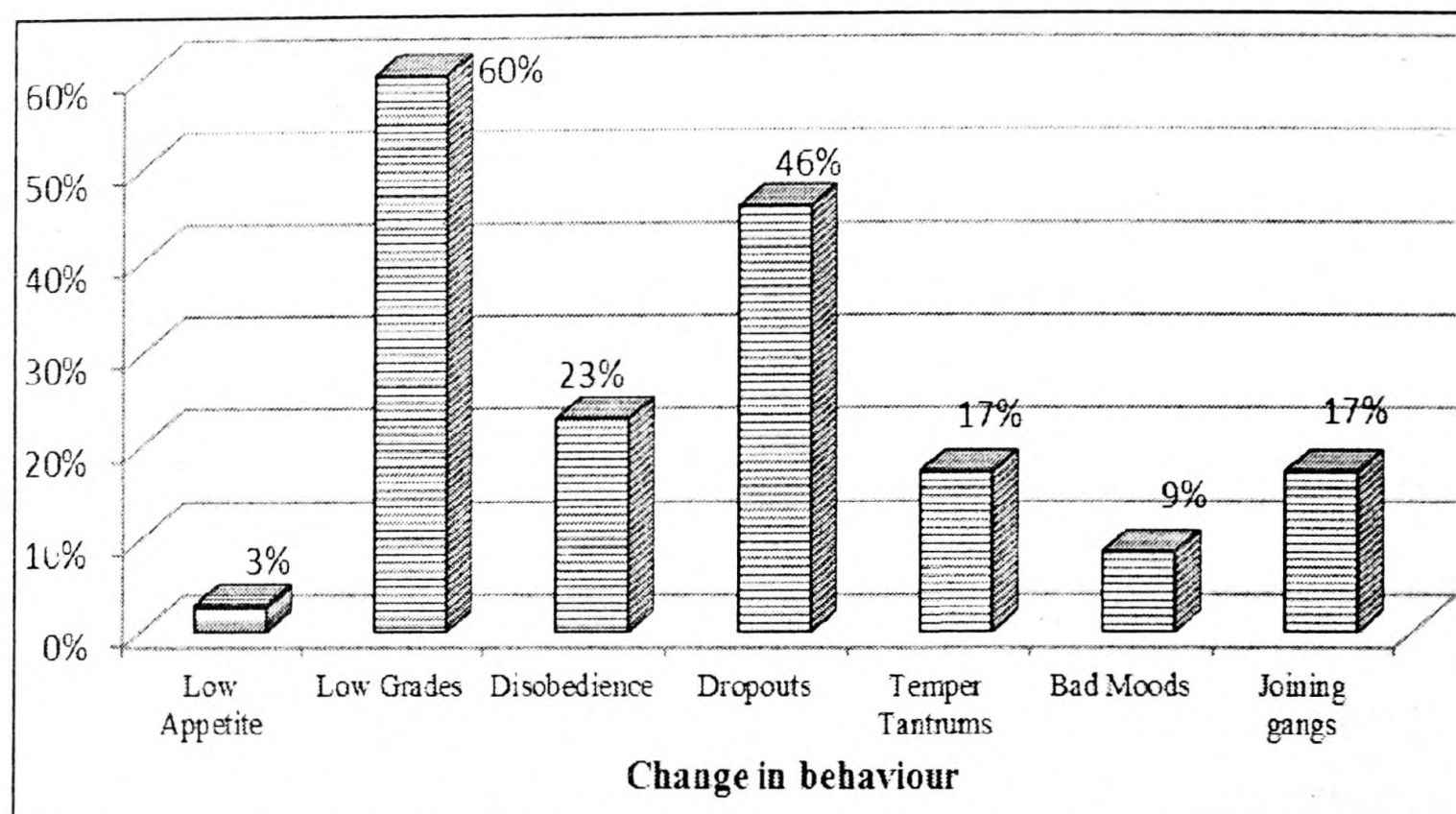
Further analysis on the impact of women migration on the education of the children left-behind out of the families which has children, revealed that 80% have not been able to positively impact on the education and 75% of the migrants who migrated with the objective of spending for the education of the children, have not been able to make a positive impact on their education.

Figure 8 demonstrates that migration of the mother has made various negative implications on the health condition of the children left-behind, especially on the mental status of the children, where various negative behavior of the children, such as earning low grades at school, dropping out from school, temper tantrums, joining socially undesirable gangs, disobedience etc. were noted among the sample families.

Exploration of primary data also revealed the following various negative social implications such as spouse being addicted to alcohol (76% of the cases) , spouse having external affairs and leaving the family behind although legally married to the women migrant (53% of the married migrants), increased divorce cases (10% of the pre-migration married women migrants) , increased family dissolution cases, misbehavior and disobedience of the children, increased drop-

outs from schools, children earning low-grades at school, temper tantrums and bad moods, joining socially undesirable gangs due to the fact that no other family member is paying attention to the children after the mother's migration.

**Figure 8: Changes of Behavior of the Children**



Source: Survey data, 2013

## CONCLUSIONS, IMPLICATIONS AND SIGNIFICANCE

The study was carried out with the aim of finding out the social and economic impact of women migration as housemaids, where the economic impact was analyzed using a historical analysis using secondary data obtained through various sources such as the world bank database, annual reports of SLBFE, etc., while the social impact was analyzed using primary data obtained through a sample survey in the Hanwella Divisional Secretariat Division.

Accordingly, the study revealed that although foreign private remittances has increased by more than 100% during the past few decades which is an increase from 0.22% of the GDP in 1975 to 10% of the GDP in 2012 at the macro level and it has also increased the family income of 80% of the female migrants, which denotes that

women migration has a very high positive impact on the economic well-being of the migrant families as well the country as a whole, various aspects of women migration could have adverse social effects on the migrant families and Sri Lankan economy at large in the long run. Accordingly, it was found-out, that objectives of women migration were construction of a house, purchasing a vehicle, expending for children's education, etc., raising the issue of effectiveness of the free education and health system of the country which can be considered for an in-depth research study in the future. Further, majority of the women migrants could not achieve their objective of migration mainly due to the remittances not being used for the intended purpose. It was also found out that although migration has caused a positive impact on the material wellbeing of the migrant families through having a positive impact on the condition of their house, acquiring materials such as a vehicles, televisions, etc., migration of the female party has caused increased family dissolution cases such as spouse being addicted to alcohol, misbehavior of the children, negative effect for the education of the children, misuse of the remittances hindering the positive impact of remittances.

Thereby, based on the findings of the study, it is recommended to conduct awareness programmes especially for the family members of the migrants emphasizing the importance of management of remittances for the betterment of the family, opening of day-care centers which will support the psychological development of the children left-behind and adoption of supervision programmes on the educational progress of them in collaboration with the schools which will ensure that the economic impact of women migration will not over-ride the social development process of the country.

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