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MDS 1994-95 Th. 43 k6

Institute of
Social Studies

INTERNATIONAL MIGRATION TO THE MIDDLE EAST AND ITS IMPACT ON
ASIAN LABOUR SENDING COUNTRIES: THE CASE OF SRI LANKA



A Research Paper presented by

Ahmed Kamal Yassin
(Sudan)

In Partial Fulfilment of the Requirements for Obtaining the Degree of
MASTER OF ARTS IN DEVELOPMENT STUDIES

Members of the Examining Committee

Dr. K. Kurian
Dr. A. Abdelkarim Ahmed

The Hague, December 1995



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This document represents part of the author's study programme while at the Institute of Social Studies; the views stated herein are those of the author and not necessarily those of the Institute.

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DEDICATION.

THIS RESEARCH PAPER IS DEDICATED TO THE ONE I LOVE MOST,
MY WIFE MAWAHIB.

Acknowledgment.

In the first place, I would like to give my profound gratitude to Almighty Allah, who gave me the courage and inspiration to finish this course. I am very grateful to every member of my family who have always helped me at all times.

I am also very grateful and indebted to Dr. Abbas for his help and assistance at all levels and right from the beginning of knowing him.

Many thanks are extended to my examiner Dr. Rachel Kurian for her valuable comments on the research paper and the books she lent me.

All the Staff of the Employment and Labour Studies program deserve a very special thanks for their tireless efforts throughout the course.

Here I would like to give a very special thanks to Marianne Aats, the ELS Programme Administrator for her endless efforts with me and all the ELS participants.

Many thanks are extended to all my Sudanese friends especially those who helped me in one way or another to finish this course. Last but not least my thanks go to those I will miss very much all my classmates.

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CHAPTER 1

1.1 INTRODUCTION:

The movement of people from one region to another or one country to another is not a new phenomenon. Mankind has witnessed group movements since pre-historic time. Almost all nations have witnessed at some time a migratory movement from and/or to their territories. More recently, the impacts and effects of this phenomenon on both sending and receiving countries have started to be studied and analyzed. As the magnitude of migration is increasing at the global level, the issue is gaining more attention as it is associated with political, economic, social, cultural, and demographic changes in both the sending and receiving countries.

In the general sense of the term, "international migration" is defined as: "the relatively permanent movement of persons over a significant distance" (Lecarix 1991:13). The word "permanent" is widely denoted e.g. by the United Nations to refer to any stay for one year or more, whereas the term "visit" is used to refer to a stay of less than one year (Peterson 1986:288).

As for the factors facilitating migration, Todaro (1985) says: " Following the second world war, open-door migration policies with improvements in air travel and international communications permitted workers from developing countries in the industrialised world [and oil exporting countries] in search of better jobs and new life, with emergence of different levels of income within the third world, this process was expanded into other developing countries where wages were higher and jobs were more plentiful."

Sri Lanka, like all other developing countries, has many economic difficulties, the most serious of which is the shortage of foreign exchange. The Sri Lankan labour migrants contribute significantly towards easing this problem. In a study conducted by Ernst Spaan in 1989, it was found that the migrants' remittances are the second most important source of foreign exchange for the country after the earnings from the export of tea.

This paper seeks to explore some of the economic impacts of international migration on Sri Lanka. The analysis here will focus on contract migration from Sri Lanka as a labour sending country to the Gulf states.

1.2 STATEMENT OF THE PROBLEM:

Most labour sending countries associate labour migration with the benefits namely, earning of foreign exchange, reduction of unemployment and transfer of skills in addition to other less important benefits. However, there are costs involved in labour migration which should also be addressed. What is the cost of the brain drain compared to what the government gets from sending its labour abroad? Is the amount of remittances sizable and sustainable in the long term? How are the remittances being utilized? What are the other unforeseen costs? This study is an attempt to find answers to the above questions.

1.3 JUSTIFICATION OF THE STUDY.

The desperate need for foreign exchange in a country like Sri Lanka, and the importance of remittances of migrant labour as a source of foreign exchange earnings, highlights the importance of the issue. Therefore, all possible efforts need to be made to sustain these earnings and, if possible, enhance them.

This paper aims at studying the different impacts of migration on the labour sending countries. The objective is to come up with some policy recommendations for maximizing the benefits and minimising the costs. A case study of Sri Lanka was selected because of the relatively great availability of data on the country.

1.4 Research Hypotheses:

1. International labour migration is beneficial to both the individual migrant worker and his/her country.

2. The disadvantages and costs of migration can be reduced, if not eliminated, if government efforts are made in cooperation and coordination with migrant workers.

3. As different labour sending countries have different experiences with the costs and benefits of labour migration, lessons can be learned which may help in planning and formulating future policies on migrant labour.

In addition to these hypotheses, the study tries to answer the following questions:

1. Has emigration reduced unemployment?
2. Are remittances properly invested and do they contribute to the development of the economy?
3. Is emigration purely a drain on the skills of the sending countries, or is it contributing to the upgrading of skills (return migrants)?
4. Has emigration led to increased wages in Sri Lanka?
5. Has emigration led to an increase in the disparities of income and the emergence of a new class?

1.5 CONCEPTUAL FRAMEWORK:

Millions of people around the world seek employment outside their countries in spite of the difficulties and sacrifices they have to make. In some cases - as in the case of Sri Lanka - even governments encourage people to migrate, and these factors are clear indicators that migration is seen to have a positive impact even if the associated price to be paid is high. Thus, the issue of international labour migration is always thought about in connection with two contradicting arguments, which are costs and benefits arguments. In fact it is impossible to think of separating or considering the advantages without the disadvantages or the positive without the negative impacts as they always co-exist. Nevertheless efforts are always needed to reduce the negative impacts as much as possible.

For a better understanding of the phenomenon of international labour migration, there are two theories which explain this phenomenon differently. The theory of pure gain or the neo classical approach states that the marginal product of labour at the home country is less than the wage that can be derived from migration. Here migrant labour is also able to remit an amount adequate to hire labour at the on going wage rate. On

the other hand, the theory of private gain and social loss states that while the individual labour migrant gains, the society loses, due to "brain drain". This is because migrants are usually skilled and trained, in most cases at government expense. Therefore, as they migrate less experienced people take over which, at the end, leads to a decrease in the national production level.

Thus, considering all that has been mentioned, this paper is intended to study and analyze the economic impacts of labour migration on labour sending countries with special reference to Sri Lanka. Exploring this field in greater depth will be beneficial for my better understanding of the phenomenon and hopefully stimulate further research on this area of study.

1.6 LIMITATIONS OF THE STUDY:

The impacts of international labour migration are very diverse and they include a number of aspects such as the social, psychological, cultural, political, religious, etc. which are difficult if not impossible to cover in such a limited research paper. Therefore, this research will be dealing mainly with the economic impacts and, where time and space allow, some social aspects.

Due to the time constraints and lack of sufficient data, the study will deal specifically with contracted labour migrants in the Gulf states.

1.7 SOURCES OF DATA:

The data which will be used in this paper is mainly secondary data, from books, periodicals and theses, and reports of international organisations such as ILO, World Bank, UNDP, etc. Data and literature will be obtained from the ISS library, other Dutch universities and the Internet.

CHAPTER 2

An overview of the employment situation in Sri Lanka.

2.1. Introduction:

Sri Lanka is a small island located south of the Indian sub continent, gained its political independence in 1948 from the British rule. Sri Lanka is an agricultural country as three quarters of the country's land is suitable for agriculture specially the tropical crops, and tea is the first and most important cash crop. The vast majority of the Sri Lankan people make their living from agriculture and live in the rural areas of the country as will be explained in details in the tables of this chapter.

In the 1960's , the country experienced a moderate growth in GNP e.g. 5.1 percent per year in real terms for 1966 - 70, but in the 1970's the rate of growth of GNP slowed considerably e.g. 2.8 percent for 1971 - 1975 (Central Bank of Ceylon 1975).

The country's adoption of an open door economic policy boosted the rate of growth which reached up to 4.1 percent in the period 1977 - 81 (Central Bank of Ceylon 1987), but that prosperous period did not prevail for long as the rate of growth declined to 1.5 percent (Ibid). Despite the optimistic views about the outcome of Sri Lanka's adoption to the liberalization trade policies which were opted to improve the efficiency of the manufacturing sector, yet the overall performance lagged behind the expectations. In this regard Abeyratne (1993:159) said "In relation to economic performance achieved by the newly industrialized countries (NICs) and other successful export oriented economies at comparable stages of industrialization, the open economy model in Sri Lanka has failed to ensure a sustainable growth momentum and manufacturing development."

Sri Lanka's population in the year 1970 was 12,516,000 in 1980 was 14,738,000 and in 1992 was 17,405,010 (World Tables 1994). The geographical distribution of the population is uneven

as nearly 70 percent of the population live in the so called West Zone which comprises of about 30 percent of the country's land. And as to the density of the population it is 254 inhabitants/sq km.

The literacy rate in Sri Lanka is one of the highest in Asia, in the year 1989 was 87 percent whereas in Nepal 19 percent, India 36 percent, Pakistan 24 percent and in Thailand 84 percent in the same year (PC Globe 1992). Life expectancy in Sri Lanka is also among the highest in Asia as it was 70 years compared to 66 years in Thailand, 55 years in India and 47 years in Nepal.

As to the social structure of the country, 74 percent of the Sri Lankan are of Sinhalese origin, 18 percent Tamil, 7 percent Moor and 1 percent others. Sri Lanka is a multi -religious country which population consists of, 69 percent Buddhist, 15 percent Hindu, 8 percent Christian and 8 percent Muslims.

One of Sri Lanka's major problems is the ethnic conflict between the Tamils and Sinhalese, in which much of the country's resources are wasted. In this conflict the Tamils are fighting for a separate state in the north and northeast area of the country, as they feel they are dominated by the Sinhalese majority on all respects of life. For example, politically, the two major political parties the Sri Lanka Freedom Party (SRFP) and United National Party (UNP) are exclusively Sinhalese. Thus, the Tamils suffer the under representation in all leading positions in the country although in 1978 the government made an amendment in the voting system to be based on proportionate representation.

The cost of this conflict in human lives terms in the 1980's was 20,000 and 500,000 people were displaced. From the other features of the conflict is 60,000 Tamils fled to Southern India and over 200,000 refugees in Europe. And 600,000 have been living in a deprived state, hold up in Jaffna in northern Sri Lanka (Edwards 1995:4).

At the beginning of this year the government and the fighting faction declared an official ceasefire but in November

the conflict started again and it is still going on as at the time of writing this research paper.

The mentioned loss of resources are some of the shadows of the conflict. Here it is estimated that a long term continuation of ceasefire would bring annual peace dividend of about 3 percent of GDP or about two-thirds of the total defence and refugee expenditure (Ibid). In fact, Sri Lanka is in desperate need of saving these drains of the resources, and directing them for the improvement of the employment situation and enhance the per capita income in the country.

2.2. Sri Lanka's Labour Market:

One of the well established facts about Sri Lankan labour market as indicated in the study of the World Bank in 1986, is the lack of changes in the labour market conditions over decades. The proportion of the labour force in the rural areas is virtually unchanged from what it was generation ago (Fields, 1986:2). Unlike most of developing countries the urbanization process in Sri Lanka is very slow. The 1981 census shows that, the population of the employed (age 10 and over) breaks down 21.7 percent urban and 78.3 percent rural. This changed very little over the last decades as in 1963 was 19.1 percent and in 1971 was 21.4 percent (Ibid). Here it is worth noting that, the above mentioned slow urbanization process was never caused by any government intervention like restriction of internal labour mobility adopted by other countries like China, Tanzania etc.

2.3. Sri Lanka's Labour Demand:

The labour demand may be affected - among other things - by the economic structure and the level of development of an economy, that is equally true in both the quantity and quality of the labour demand. The economic structure of Sri Lanka changed very little over the last three decades. In both rural and urban economies in the country some sectors grew while others declined. Sectors/sub-sectors that grew at above average rates were paddy agriculture, garments and government services, and among the slower growing segments were plantation agriculture (tea, rubber,

coconut), most manufacturing industries and private services (Fields 1986:6). Due to the slow rate of economic growth in the country the labour demand does not change substantially. And here the very little change mentioned earlier in the structure of the population over the decades in both rural and urban areas is an evidence of the lack of labour demand in Sri Lanka.

2.4. Sri Lanka's Labour Force:

For a good understanding of the employment situation in a country, the knowledge of its labour force and the changes occurred in a decade or two is vital. To achieve this objective statistics are extracted from the World Tables and showed in table (1) .

The population changes of a country is always the determinant factor of the changes in the labour force. Sri Lanka's labour force increased from 4,347,300 in 1970 to 6,574,122 in 1992 which made a rise of 2,226,822 over the period of twenty two years. This increasing trend in the labour force is expected to grow at rates exceeding 2% in the short and medium term (Korale, 1988:15). The Korale's statement is based on the fact that the future participants of the labour force for the short and medium term are already borne. Thus, with the assumption of no substantial increase in the out flow of migration, the labour force will increase with the stated percentage and therefore, if the country tends to improve its employment situation then it should create employment opportunities with a higher percentage to what was mentioned by Korale.

Table (1)

Labour force composition in Sri Lanka during the period 1970-1992*

Year	Total labour force	male	X increase	female	X increase
1970	4,347,300	3,261,540		1,085,760	
1971	4,432,374	3,319,052	2.48	1,113,322	1.76
1972	4,517,448	3,376,564	2.42	1,140,884	1.73
1973	4,602,522	3,434,076	2.36	1,168,446	1.70
1974	4,687,596	3,491,588	2.30	1,196,008	1.67
1975	4,772,670	3,549,100	2.25	1,223,570	1.65
1976	4,909,536	3,637,386	3.82	1,272,150	2.49
1977	5,046,402	3,725,672	3.68	1,320,730	2.43
1978	5,183,268	3,813,958	3.55	1,369,310	2.37
1979	5,320,134	3,902,244	3.43	1,417,890	2.31
1980	5,457,000	3,990,530	3.31	1,466,470	2.26
1981	5,549,518	4,057,644	1.70	1,491,874	1.68
1982	5,642,036	4,124,758	1.67	1,517,278	1.65
1983	5,734,554	4,191,872	1.65	1,542,682	1.63
1984	5,827,072	4,258,986	1.62	1,568,086	1.60
1985	5,919,590	4,326,100	1.59	1,593,490	1.58
1986	6,009,150	4,393,728	1.36	1,615,422	1.56
1987	6,098,710	4,461,356	1.34	1,637,354	1.54
1988	6,188,270	4,528,984	1.32	1,659,286	1.52
1989	6,277,830	4,596,612	1.30	1,681,218	1.49
1990	6,367,390	4,664,240	1.29	1,703,150	1.47
1991	6,470,756	4,735,916	1.83	1,734,840	1.54
1992	6,574,122	4,807,592	1.79	1,766,530	1.51

Source: World Tables 1994

* The definition of the labour force is the total number of population of the age group 15 - 65.

From 1970 till 1975 the changes in the number and percentages were of normal trend but in 1976/77 the percentage increase of the male jumped from 2.25 percent to 3.82 percent and from 1.65 percent to 2.49 percent for the female. It is noticeable that the increase is associated with the changes in the government policies which had a clear impacts on the employment situation in the country. Another turning point in the table is, the decline in the increasing trend of labour - both male and female - in 1980/81 when the male declined from 3.31 percent to 1.70 percent and the female from 2.26 percent to 1.68 percent. The female decline here is much lesser than the male.

Comparing the average percentage increase of the male and female in the past two decades, from the 1970 to 1980 the male average increase was 2.96% whereas for the female it was 2.03 percent and for the decade 1980 to 1990 the male was 1.48 percent against the female 1.57 percent for the same decade.

Table (2)
Labour Force Participation Rate 1971 & 1985.

age groups	1971 % Male	1971 % Female	1985 % Male	1985 % Female
15 - 19	48.6	26.4	45.5	24.2
20 - 24	89.2	42.2	87.4	48.3
25 - 29	96.9	39.3	96.6	46.2
30 - 34	97.8	34.8	96.2	44.9
35 - 39	97.3	32.6	97.9	45.1
40 - 44	96.8	30.9	96.3	45.0
45 - 49	95.7	29.8	95.8	42.2
50 - 54	92.3	24.5	91.5	38.0
55 - 59	80.9	16.7	84.6	26.1
60 - 64	65.6	10.5	67.0	22.5
65 +	40.7	5.1	44.8	10.7

Source: (a) Census of population 1971.

(b) Labour Force and Socio - Economic Survey 1985/86.

Table (2) reveals an important indicators as to the changes in the male and female participation in the labour force of the different age groups in two distant years. From the table one can reads clearly that, participants in the age group 15 - 19 declined - for both male and female - from the year 1971 to 1985, and this was caused partially by the increase of the youth participation in the technical, vocational and higher education. Another indicator the table shows, is increasing female

participation in the labour force in almost all the age groups, and this is mostly caused by the improvement in their educational standard which encouraged them to join the labour force and also the relatively higher migration opportunities for them than for the males.

2.5. Employment Situation in Sri Lanka:

For tracing the trend of the employment situation in Sri Lanka, the table of the employment estimates is useful as it presents a number of surveys carried out by different institutions at different points of times from 1946 to 1985/86 to evaluate the employment situation in the country.

Table (3)
EMPLOYMENT ESTIMATES
(in thousands)

Title of Survey.	Estimated employment		
	Total	Male.	Female.
1. Census of population 1946	2,612	2,042	570
2. Census of population 1953	2,993	2,269	724
3. Census of population 1963	3,200	2,543	657
4. Labour Force Survey 1968	3,674	2,835	839
5. Socio-Economic Survey 1969/70	3,610	2,775	835
6. Census of population 1971	3,649	2,838	811
7. Survey of Labour Force Participation rates 1973	3,767	2,820	947
8. Survey of Consumer Finance 1973 ..	3,398	na	na
9. Land and Labour Utilization Survey 1975	3,973	2,990	983
10. Consumer Finance and Socio- Economic Survey 1978/79	4,764	3,387	1,377
11. Labour Force and Socio- Economic Survey 1980/81	4,851	3,623	1,228
12. Census of population 1981	4,119	3,268	881
13. Consumer Finance and Socio- Economic Survey 1981/82	4,678	3,545	1,133
14. Labour Force and Socio- Economic Survey 1985/86	5,132	3,581	1,551

Source: Korale, R. B. M. (Employment Trends Sri Lanka.)
Economic Journal: 1986 April, 1 (1).

As table (3) shows the employment situation in Sri Lanka from 1946 to 1985/86 witnessed substantial fluctuations, for example between the years 1946 and 1953, 381,000 employment

opportunities were created which made an average annual increase of 2 percent, however between 1953 and 1963 employment opportunities generated were very limited and the average growth rate rose only by 0.6 percent. Whereas 1.7 percent average growth was recorded between the years 1963 - 1971 (Korale, 1988:18).

Among the conducted inquiries between the years 1946 and 1986 the 1975 and 1978 showed the highest recorded creation of employment opportunities which were, 16.9 percent and 19.9 percent respectively. The mentioned improvement in the employment situation is caused by the open door policy adopted by the country in 1977 but the increase in the employment opportunities did not last for long as in 1981 the decline reached - 15 percent, yet after that year the trend started rising again. As far as the share of the female in the employment opportunities is concerned, it was always between 20 percent to 25 percent of the total employment opportunities, and the only exceptional cases recorded were 28.9 percent and 33.22 percent in 1979 and 1985/86 respectively. The percentage increase of the female from 1946 to 1986 was 172.1 percent against an increase of 75 percent of the male for the same period, the jumping increase of the female - as mentioned earlier - is mainly due to the improvement of their educational attainment and the migration opportunities.

For exploring the employment situation in Sri Lanka, it is essential to study the classification of the employed population as by status and sex which is presented in the table (4) for the period 1953 - 1986.

Table (4)
Employed population classified by employment status and sex 1953 -86.

	Paid Employees		Employers		Workers on Own Account		Unpaid Family Workers		Unspecified		Total No.
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	
Census of pop. 1953	T 1832295	61.2	93843	3.1	898156	30.0	169055	-	-	-	29933
	M 1347550	59.4	84643	3.7	761414	33.6	75133	-	-	-	49
	F 484745	66.9	9200	1.3	136742	18.9	93922	12.9	-	-	
Census of pop. 1963	T 2081060	65.0	77190	2.4	853130	26.7	164090	5.1	24260	0.8	31997
	M 1541160	60.6	73430	2.9	794860	31.3	120370	4.7	13100	0.5	30
	F 539900	82.2	3760	0.6	58270	8.9	43720	6.6	11160	1.7	
Labour Force Survey 1986	T --	61.7	--	1.6	--	30.0	--	6.4	--	--	--
	M --	56.5	--	1.8	--	35.9	--	5.8	--	--	--
	F --	76.6	--	0.6	--	10.2	--	12.6	--	--	--
Socio Econ Survey 69/70	T 2371700	65.7	82100	2.3	970200	26.8	186100	5.2	--	--	36101
	M--	--	--	--	--	--	--	--	--	--	00
	F--	--	--	--	--	--	--	--	--	--	
Census of pop. 1971	T 2429957	66.6	113846	3.1	913750	25.0	191322	5.3	--	--	36488
	M 1806949	63.7	107539	3.8	813122	29.0	100794	3.5	--	--	7
	F 623008	76.9	6327	0.8	90628	11.2	90528	11.1	--	--	28384
											81047
											1
Cons. Finan. Survey 1973	T --	60.8	--	1.5	--	31.0	--	6.7	--	--	36488
	M --	57.2	--	1.7	--	36.1	--	5.0	--	--	7
	F --	72.4	--	0.8	--	14.9	--	11.9	--	--	28384
											81047
											1
Socio-Econ. Survey 80/81	T 3057893	63.0	86880	1.8	1250848	25.8	455836	9.4	--	--	48514
	M 2225190	61.4	82240	2.3	1067707	29.5	248232	6.8	--	--	57
	F 832703	67.8	4640	0.4	183141	14.9	207604	16.9	--	--	36233
											69
											12280
											88
Census of pop. 1981	T 2769469	67.3	71062	1.7	1169814	28.4	108920	2.6	--	--	48514
	M 2061822	63.5	63789	2.0	1054111	32.4	68706	2.1	--	--	57
	F 707647	81.3	7273	0.8	115703	13.3	40214	4.6	--	--	36233
											69
											12280
											88
Labour Force & Socio-Econo. Survey 85/86	T 2991177	58.2	121075	2.4	1334116	26.6	685381	13.4	--	--	51317
	M 2085240	58.2	107324	3.0	1059362	29.6	329413	9.2	--	--	49
	F 905437	58.5	13753	0.9	274754	17.7	355968	22.9	--	--	35815
											39
											15594
											13

T: Both sexes; M: Male; F: Female.

Source: Korale, R.b.M (1985): Case study of Sri Lanka. World Bank Research Paper.

As table (4) reveals, in all the inquiries over half of the employed are paid employees, and in this category the percentage of female is always higher than the male percentage. Another recognisable feature in the table is, the relative high

percentage of self employed workers working on their own account which was never below 25 percent of the employed population and this is resulted from the development of the irrigation facilities and settlements on new lands (Ariyaratne 1989:34). Under the category of the unpaid family workers, in all the inquiries conducted, the percentage of the female was higher than the male. And as far as the two categories, are concerned, the employed category and the self-employed the percentage of the female is always lower. From the preceding explanation it may be concluded that the distribution of the sexes among the different categories is uneven, with the exception of minor differences - 58.2 percent and 58.5 percent for male and female - among the paid workers in the inquiry of 1985/86 the difference was always substantial.

The last two tables presented above do not show the division of the employed population among the different industries which is well shown in the table below.

Table (5)
Employment population by major industry divisions.
All island/sectors - 1985.

Major Industry	All island (%)	Urban (%)	Rural (%)
Agriculture	49.3	11.2	54.3
Non - agriculture	46.7	86.0	41.0
Industries	18.8	27.9	18.3
Services	27.9	58.1	22.7
Not identified	4.0	2.8	4.7

Source: Labour Force and Socio - Economic Survey 1985.

The table above shows no unexpected figure as to the distribution of employed population in both rural and urban areas. In an agricultural country, it is expected that the percentage of the population engaged in agriculture should be as

high as half of the total employed population, and the higher percentage of which should be in the rural area as the in case Sri Lanka. Equally expected and understandable is to find the lowest percentage of the employed population engaged in the industrial sector as the figures also show.

2.6. Unemployment in Sri Lanka:

"Our government is concentrating on the development of our resources which will mean employment for our youth, men and women. I place among our priorities employment first, employment second and employment third."

J.R.Jayawardene (1986).

President of Sri Lanka.

At the time when Sri Lanka gained its independence it had no unemployment problem, but as the time passed on and with increasing number of the labour force on one hand and the poor creation of the employment opportunities - with an exception of the period between 1977 and 1981 - especially when compared to the number of the new entrants to the labour force, the unemployment problem has become more severe. The emphasis of the President and the devoted efforts of the different officials of the government are clear indicators of the sensitivity and the depth of the problem.

The unmatched increase between the labour force and the creation of employment opportunities is the major reason of the deteriorating problem of unemployment. "The rates in the growth of the labour force was nearly double the growth rates of unemployment and it resulted in a part of the net annual additions being added to the backlog of unemployed, contributing to the deterioration of unemployment over the years" (Korale 1985:14).

An important remark to be made here about the table below is that, it has a weakness as in many of the surveys sampling were used and not always the total population, yet the table in

general reflects the general situation and problem of unemployment in Sri Lanka.

Table (6) Unemployment Estimates.

Title of Survey	Sample	Male	Estimated Unemp Female	Unemp Both Sexes	Unemp. %
1. Survey of Employment, Unemployment, Underemployment 1959/60.	10,000 households	250,000	90,000	340,000	10.5
2. Census of population 1963	Total enumeration	199,450	65,480	264,970	7.7
3. Survey of Consumer Finances 1963	4,984 households	--	--	457,700	13.8
4. Labour Force Survey 1968	13,000 households	312,000	152,200	464,200	13.4
5. Socio - Economic Survey 1968/69	9,694 households	349,000	209,600	558,600	14.3
6. Sensus of population 1971 adjusted	Total enumeration	474,065	365,199	839,264	18.7
7. Determinants of Labour Force Participation Rates, July 1973	2,500 households	446,929	346,071	793,000	18.3
8. Survey of Sri Lanka Consumer Finance 1973	5,000 households	--	--	1,073,000	24.0
9. Land & Labour Utilization Survey 1975	5,000 households	499,500	484,800	984,300	19.7
10. Consumer Finance & Socio-Economic 1978-79	5,000 households	--	--	874,000	14.8
11. Labour Force & Socio-Economic Survey 1980/81	10,000 households	305,207	553,961	857,168	15.3
12. Sensus of population 1981	10% sample	498,726	396,417	895,143	17.9
13. Consumer Finance & Socio- Economic Survey 1981/82	8,000 households	297,729	321,337	609,266	11.7
14. Labour Force & socio-Economic Survey 1985/86	25,000 households	433,243	407,009	840,252	14.1

Source: Korale, R.B.M. (1985) UN employment and Wage: A Case Study of Sri Lanka.
World Bank Research Paper.

For a better understanding of the unemployment situation, it will be useful to know the average unemployment rate in the three decades -the 1960's, 1970's and the 1980's but till 1986 -

and here the corresponding percentages are 5.97 percent, 11.11 percent and 9.83 percent respectively. Thus, it can be concluded that, the unemployment situation in the 1970's deteriorated severely as compared to the 1960's or in other words Sri Lanka was not suffering from a chronic unemployment in the 1960's, but in the 1980's the situation started to improve compared to the previous decade and that is mostly associated with the country's open door policies which had a positive impacts on the economy and from the migration impact as well.

Table (7)
Unemployment by sector and sex.

Year & Sector	Both sexes %	Male %	female %
1971			
Urban	28.4	29.0	27.6
Rural	71.6	71.0	72.4
1985			
Urban	28.1	30.7	25.4
Rural	71.9	69.3	74.6

Source: (a). Census of population 1971.

(b). Labour Force & Socio - Economic Survey -1985/86.

The table above shows the unemployment rates in both rural and urban sectors in the years 1971 and 1985. The first distinguishing feature of the table is, there is no considerable change in the unemployment situation as to the sectors and sex between 1971 and 1985. The unemployment is remarkably high in the rural sector than in urban, and in this situation it is most likely that some of those who are recorded in the official statistics as unemployed may engage in a kind of work, as it is improbable that more than 69 percent are unemployed. Yet, the general situation the table reveals is that unemployment is high for both male and female in rural and urban sector, as the lowest percent recorded for both the years 1971 and 1985 was 25.4

percent which was the female unemployment in urban sector in 1985.

Table (8)
Unemployment population by age.

Age groups	1971 (%)	1985(%)
15 - 19	26.1	22.8
20 - 24	37.5	37.5
25 - 29	16.6	17.9
30 - 34	7.0	9.4
35 - 39	4.4	4.5
40 - 44	2.9	3.4
45 - 49	2.4	2.0
50 - 54	1.7	1.0
55 - 59	1.4	1.5

Source: (a). Census of population 1971.

(b). Labour Force & Socio - Economic Survey 1985/86.

The distribution of the unemployment of different age groups is an important indicators showing the impact of the problem on the different age groups. The table above shows clearly that, the unemployment is highest in the first two categories 15 - 19 and 20 - 24, those who newly entering the labour market. In this regard Fields have justified that by saying:

"When young people leave school they do not immediately take any job that is available, but instead they search for long periods of time for "desirable" jobs. This is possible because they continue to live with receive the support of their parents. However, after several years of searching they either find a job which matches their aspirations

or resign themselves to taking whatever "less desirable" jobs are available".

Another noticeable remark from the table is that, there is no substantial difference between the percentage of unemployed population for both male and female in both years of the inquiries in 1971 and 1985. And lastly, unemployment among age group 30 - 34 is considerably low compare to the age group prior to that.

CHAPTER 3
MIGRATION FROM SRI LANKA TO THE GULF STATES.

3.1. Labour demand in the Gulf States:

Since 1973 and with the considerable increase in the price of the crude oil, the Gulf region has increasingly become a magnet for Asian workers. The Gulf local labour markets could not meet the increased demand neither in a qualitative nor in a quantitative sense. Because of their small population and inadequate vocational and educational structures, the oil producing countries of the Gulf had to look for other sources of manpower. At the same time, due to a number of political and economic factors the neighbouring and other Arabian countries could no longer supply sufficient additional labour. Thus, this led to the situation where the bulk of the expatriate manpower was recruited from South and Southeast Asia as an inexhaustible source of cheap labour. "In the year 1981, there were about 2.5 million Asians working in the Middle East (not including any accompanying dependents) and since then about one million Asian workers have left to seek their fortunes in the Middle East, each year" (Shah 1986:3).

The considerable increase in the oil prices which was the major cause of the labour demand in the Gulf, was also in a sense responsible for Asian workers seeking employment outside their countries as the economic situations deteriorate. The huge jump in the oil prices led to abundance of money in the international financial institution and they were willing to lend the developing countries at a cheap rate. Thus, most of the developing countries borrowed huge amounts, and as many of these countries failed to repay their loans - for what ever different reasons - governments started to rationalise their spending and adopting Structural Adjustment Policies (SAPs). So, whatever the advantages or shortcomings of the SAPs, it is always associated with inflation and unemployment from which the bulk of the weaker section of the societies suffer. This sufferings results in more

and more sacrifices like migration leaving their families behind and other social and psychological sacrifices.

The result of what was mentioned is, wealth and demand for labour on one side, and desperate need for money and abundant labour force seeking employment on the other. The final situation is what was mentioned by Shah (1986:4) when said "... about 80 - 90 percent of the labour force in Kuwait, Qatar and United Arab Emirates consist of foreign workers, and about half of the labour force in Saudi Arabia, Oman, Bahrain and Libya is made up of foreigners".

3.2. Forms of Migration:

There are different forms of migrations, and here below are these forms and in spite of this, this paper is concerned mainly with contract migration, yet it will be useful to explain in brief the different forms of migration.

3.2.1. Free Migration:

When citizens of a country enter freely into another country or countries and work without any legal barriers and requirement of a work permit, then this form of movement is known as free migration which is the most privileged form of migration. Number of cases of group of countries can be taken as examples, the Scandinavian countries Denmark, Finland, Norway and Sweden have eliminated all the obstacles on the way of the movement of labour among their countries. Members of European Communities, Economic Community of West African States, etc. All these are examples of groups of countries or region allowing free mobility of labour. In recent years this trend is expanding among different regions of the world.

3.2.2. Official and Business Migration:

This is one of the oldest form of migration and it is increasing in the recent decades. International movements of economically active people, official and religious movements, diplomat, employees of air and shipping lines etc can all be labelled as official or business migrants.

3.2.3. Settlement Migration:

This is where migrants know from the beginning that the host country permitted them to settle and become future citizens. U.S.A. is a good example of the countries accepting migrants for settlement and it is usually given on humanitarian ground. (USA and all other countries have limited this concession).

3.2.4. Refugees:

This form of migration is different from other forms of migration as the conditions of leaving the home country of the migrants are different, and a refugee has the right not to be sent home, however this form of migration can not be overlooked as the number of refugees around the globe is amazing. United Nations High Commission for Refugees (UNHCR) stated that, in 1981 there were about 5 million in Africa, 2.5 million in Asia, 0.6 million in Western Europe and 0.3 million in South America and the number is steadily increasing.

3.2.5. Contract Migration:

This is the form of migration this paper is concerned with and more precisely in the Gulf region. In this form of migration, migrant workers leave their countries to work in the host country after signing a contract with an agency for a particular type of work and all the working conditions and benefits attached. However, in some instances, the terms and conditions of a contract vary from the actual situation that exist on the ground. Contract migrants are rarely viewed as future citizens - and in the Gulf countries, they are always subjected to various forms of discrimination and threat of deportation. It is also worth noting that, globally the number of contract migrants have increased substantially in recent years.

3.2.6. Irregular Migration:

All the mentioned forms of migration have a common feature, that is they are legal grounds, where as the irregular form of migration is illegal but at the same time it must not be neglected because it is found in almost all developed countries.

The rate of illegal migration is high and increasing despite efforts to eliminate it.

3.3. Special Features of Labour Migration to the Gulf Countries:

Migration to the Gulf region is different from most other countries where labour migrate to, and some of these features are:

- a. Migration to the Gulf is mostly individual migration and not family migration.
- b. Migration to the Gulf countries is short term migration where with the expiry of the contract - if not renewed for whatever reason - migrant have to return home.
- c. Excluding the exceptional cases like domestic helpers and other very few occupations where women labour is necessary, migrant labour is gender bias because it is mostly male dominated.
- d. Migration to the Gulf countries attract all categories of people educated, uneducated, skilled and unskilled workers.
- e. Migrants are attracted toward Gulf countries not by comfort or assurance of better career and living conditions but for the possibility of making quick money.

3.4. Sri Lanka and International Labour Migration:

Traditionally, Sri Lanka was not known as a labour exporting country. The migration trend started in the 1960's and was only the academicians and professionals who migrated to Western Europe, North America and Australia. In the 1970's and with the oil boom and huge demand for labour - For both skilled and unskilled - in the Gulf, migration became no more confined to special group. In fact the increase of the unskilled migrants labour became much more than the skilled. In the 1970's more skilled than unskilled workers from Sri Lanka migrated to the Middle East, in the 1980's the unskilled outnumbered the skilled (Elens 1992:4).

Sri Lanka joined the Gulf labour market relatively late compared to other Asian countries, and that due to many factors

including, till the 1977 the country was adopting import substitution policies under Ms. Bandaranaike's regime and the Sri Lankan government because of the 'close economy' idea strongly discourage international labour migration (Elens 1992:2). Secondly, the relative good economic conditions prevailed at that time, example to that is the welfare subsidies such as free education and food stamp system. With the fall of the prices of the tea the country's major export and the high rate of inflation the economic situation started to deteriorate severely and the number of migrants started to escalate tremendously.

Despite the fact that Sri Lanka joined the Gulf labour migration late, yet, there were some factors which helped in increasing the number within a short period like, first government policies which changed from discouraging international migration to promoting it starting from 1977. Secondly, the very first Sri Lankan migrants in the Gulf were professionals and highly educated, and they succeeded in building a good reputation of the Sri Lankan workers in general, and thirdly, the willingness of the Sri Lankan workers to work with relatively lower wages. Finally, as the economic situation improved tremendously in the Gulf, many of the people (nationals and migrants) started developing the custom of having a house maid.

The number of Sri Lankans employed in the Middle East has been estimated at 185,000 to 215,000 in the mid 1980's (ILO-ARTEP 1985). If the mid of that number - 200,000 - is compared to the number of migrants from other Asian countries it is relatively small, for example, India and Pakistan at the same time of the inquiry - in 1983 - had 930,000 and 800,000 workers in the Gulf (Rodrigo 1989:256). Whereas if the number of migrant workers is compared to the population then the situation will changed completely as in the case of Sri Lanka migrant workers are 1.32 percent of the total population as against 0.12 percent in case of India and 0.91 percent in the case of Pakistan (Elens 1992:3). For the sake of knowing the Sri Lankan experience of labour migration it shall be useful to compare it with other Asian countries as showed in the following table.

Table (9)

Migration from Asian Migrants Labour sending Countries to the Middle East (1983).

Country (1)	Population Million (2)	Migrant (1000) (3)	Migrants as % of 2 (4)	Remittances \$ Migrants/year (5)	5 as % of exports (6)	5 as % of GNP (7)
India	746.7	930	0.12	2810	19.9	1.1
Pakistan	88.2	800	0.91	3610	69.9	8.8
Philippines	53.6	500	0.93	1880	13.5	3.1
Bangladesh	94.4	300	0.32	2090	50.0	3.4
S.Korea	40.0	213	0.53	5127	7.0	2.3
Thailand	50.7	230	0.39	3380	7.2	1.2
Sri Lanka	15.2	200	1.32	1360	27.6	3.6

Source: ESCAP 1985; Korale 1985; World Bank 1986.

The table above reveals many facts first of all, although the number of the Sri Lankan migrants is the lowest - 200,000 - among the South and Southeast Asians in the Gulf, yet they are the highest in percentage 1.32 percent of the population which means their impacts on the country will be more substantial. Secondly, the remittances of the Sri Lankan migrants is the lowest and this fact can be justified considering the composition of the Sri Lankan migrants being dominant by unskilled labour. The table also shows that, despite the relative small number of

the Sri Lankan in the Gulf and their remittances being smallest though, the percentage of the remittances compared to the GNP is 3.6 percent which is higher than India 1.1 percent, Thailand 3.1 percent, Philippines and Bangladesh 3.4 percent.

In fact labour migration from Sri Lanka - despite all the complications involved - helped and helping the individual workers and the government alike, for example the domestic helper in the Gulf earns an average of US\$ 4,000 per year which is about ten times what they could earn as unskilled worker in Sri Lanka (Fields 1989:10). And at the government level, in fact the government count on the migrants remittances in easing its hard currency problem. On other ground, easing the unemployment problem as labour migrants from Sri Lanka equal the number of the new entrants to the labour market (Elens 1992:4).

3.5. Profile of Sri Lankan migrants working in the Gulf:

The profile of the migrated and migrating workers is the very basic information based on which the whole analysis of the impacts of labour migration can build. Realising this fact, the Sri Lankan government started keeping a record of the movement of migrant workers at all ports of exit from the country, and for more detailed data government is now working in cooperation with licensed employment agencies as mentioned by Korale and Karunawathie (1981:214).

3.5.1. Distribution by Sex:

As to the proportion of the sexes of the Asian workers in the Gulf, Sri Lanka is very exceptional case, and due to the restrictions mentioned earlier by the other Asian countries on migration of female the number and proportion of Sri Lanka female have increased tremendously. Up to 1978 the percentage of females in the labour migration was 12 percent. In 1979 the percentage rose to 47.3 percent and since then the number as well as the percentage of females continue to increase over the years. And here to be noted that, the Middle East is the destination of more than 90 percent of the female Sri Lankan migrants. Gnatilleke (1986:175).

3.5.2. Migrants Ethnic Groups:

Gunatilleke in 1991 conducted a study on the international labour migration from Sri Lanka in which he examined the ethnicity and gender among the migrants as shown in the table below.

Table (10)
Ethnic Group by Gender

Ethnic Group	Male	Female	Total
Sinhalese	128	243	371
Tamil	8	5	13
Moor	42	45	87
Malay	12	22	34
Burgher	2	2	4
Indian Tamil	1	0	1
Total	193	317	510

Source: Gunatilleke 1991:292.

From the table above, it is clear that the Tamils among the migrants are much less than their share in the population of the country. Hettige (1988:80) says, "over 77 percent of migrants in 1979 originated from Western Province consisting of Colombo, Gamphaha and Kalutara districts the combined population of which in 1981 was 26 percent of the national population. Migrants from all the other districts, on the other hand constituted much less than their share of the national population". The Moor and the Malay together make 23.73 percent of the total number of the sample, - which are the second and third highest percentage after the Sinhalese. The Muslims in Sri Lanka constitute 7 percent of the population and their share among the migrants was 22 percent, and that is mainly due to the fact that, it is easier for a muslim to find employment in muslim countries than for non muslims as some of the jobs advertisements specially ask for muslims.

3.5.3. Ages of Sri Lankan Migrants in the Gulf:

It seems that it is difficult to find an accurate information on the ages of migrants as in different studies and inquiries different information are reached. For example in a study conducted by Genitalic (1986:160), it was found that 10 percent of the Sri Lankan migrants were below 25 years of age, 51 percent between 25 and 34 years old and 39 percent over 35 years. In another study conducted by Brochmann (1992:71), the findings were 66 percent of the sample were between 21 and 36 years old; 29 percent were 37 and above and only 4 percent were 20 and below. Despite the lack of the accuracy of the migrants ages, the general picture shows that the bulk of them are young. This can be clearly understood considering the fact that majority of the Sri Lankan migrants are unskilled workers and employers prefer that age group - in general - as they are physically capable of meeting the demanding nature of the work. For example, in the case of the construction sector - for men - or the long hours of work for the house maids.

3.5.4. Civil Status:

The study of Brochmann (1992:72) shows that 61 percent of the sri Lankan migrant workers in the Gulf are married, 23 percent unmarried, 13 percent divorce and 4 percent widows. And from the total Sri Lankan migrants workers only 29 percent had no children.

3.5.5. Educational levels of Sri Lankan migrants in the Gulf:

The majority of the Sri Lankan migrants in the Gulf are unskilled workers (74%) Thus, according to the study of Genitalic (1986:162), 75 percent of the Sri Lankan workers completed their secondary studies, 2 percent with no formal education and one percent with tertiary. Here it is to be mentioned that, despite the bulk of the Sri Lankan workers in the Gulf are unskilled workers though, they are the second in South and Southeast Asia - after the Philippines - in term of the level of education.

Table (11)
Skill Composition of Migrants (percentages).

Country	Unskilled a.b	Skilled a	Mid-level c	High-level c
Republic of Korea	8.5	70	13.1	8.5
Bangladesh	35	50	15	15
Philippines	-	78	22	22
Pakistan	45	37	18	18
Thailand	28	60	12	12
Sri Lanka	74	21	5	5
State of Kerala (India)	48	24	25	25

a. Skilled and unskilled include all manual labour, such as construction labour, operators of equipment, house workers, caretakers and service workers of all types.

b. The distinction between semi skilled and unskilled is not always clear. The semi-skilled have been classified among the skilled in others.

c. Mid level and high level workers include white collar jobs and supervisory, technical and professional grades.

Source: Genitalic (1991:294).

The table's clearest indicator is that, the bulk of the Sri Lanka labour migrants are unskilled labour 74 percent, and even the gap between Sri Lanka and other closest percentage of unskilled workers among the Asian countries is great, - Pakistan 45 percent the difference is 29 percent -. But among the skilled and higher level workers, despite Sri Lanka holds the lowest percentage yet the difference compare to other Asian countries is nominal.

Table (12)
Occupation before Migration by Sex.

	Male	Female	All
Unemployed	5	21	26
Housewife	--	73	73
Farmer	7	--	7
Labourer	4	--	4
Petty trade	1	--	1
Teacher	--	1	1
Security guard	1	--	1
Government servant	2	--	2
Manager	1	--	1
Others	4	--	4
Total number	25	95	120

Source: Spaan 1988:126

Spaan included his study of "labour migration from Sri Lanka to the Middle East" the above table which shows the occupations of migrants workers before their departure. This table is of very prime importance as it reflects the size of the relief in the employment situation in the country. The sample of the study includes 95 females and 25 males which is proportionate to their numbers. The table reveals that, 20 percent of the male were unemployed, 28 percent farmers and 16 percent labourer these are the biggest percentages of the males occupational distribution. The bulk of the females were housewives, and if we add to that the unemployed females then only one out of the whole sample were employed before her departure which is an indicator of the minor

negative impact to the Sri Lanka as to what is known as "brain drain".

As Sri Lankan people and government were keen to promote the number of their migrants, and at the same time as they have joined the migration trend from South East Asia late, they had to find a sector where they have a relative advantages to other Asian workers. That sector was the domestic service, in fact there were number of factors were in favour of the Sri Lankan migrants and contributed in expanding their share of that sector. Some of those factors are, for the Arabs, having a domestic servant is not only - or not necessarily - a need but rather a sign of social status, and after the exploitation of the oil in the Gulf literally every family could afford having a servant or more. Moreover, even considerable number of the migrant Arab - and non Arab too - are having Asian domestic servants. Another factor helped Sri Lankan migrants to dominate the domestic sector is, initially this sector was dominated by women from Pakistan, India, Bangladesh and the Philippines, but Pakistan, India and Bangladesh formally prohibited the recruitment of housemaids. Pakistan and Bangladesh banned the out flow of female domestic personnel mainly because it is in contravention of the Koran for women to be away from home for long period of time without a male escort (Elens 1992:5). A third factor is from 1988 the cases of malpractice made the Philippines to put more and more restrictions on recruitment of migrants of this sector. In fact, all other countries in South and Southeast Asia have placed restrictions on the migration of female workers, and as a result Sri Lanka became the main source of supply for female domestic workers Genitalic (1986:175). On the other hand, Sri Lanka's polices related to international migration became more liberalised. All these factors together increased the number and share of the Sri Lankan migrants in this sector.

Chapter 4.

Positive and negative impacts of international labour migration.

4.0. An overview of the impacts of the international labour migration on labour sending countries.

Despite the differences of the impact of migration on the labour sending countries, based on the situations of each individual case, yet many of these impact are common and the difference often lies in the magnitude of the impact. Here before analysing the impact of the international labour migration on Sri Lanka - as a labour sending country - it might be useful to reveal in a general form some of these impacts from the experience of different countries specially the South and South East Asian countries.

The debate over the impacts of international labour migration on both labour sending and receiving countries are very controversial. Generally speaking, there is an agreement as to the benefits of international labour migration at the micro level. Thus, an individual migrant and his/her family do benefit but, when it comes to the macro impact on the labour sending countries then different theorists and concerned people disagree at least at the magnitude of the impacts both positive and negative.

The primary impact of migration is the remittances, for some countries, remittances represent a sizable share of the GNP as in the case of Bangladesh, Burkina Faso, Egypt, Greece, Jamaica, Malawi, Morocco, Pakistan, Portugal, Sri Lanka, Sudan and Turkey, where the share of the remittances lies between 25 percent to 50 percent of the GDP, (World Development Report 1995). The importance of the remittances is undeniable but the equally important issue is, how these remittances are spend and utilized? And what is the contribution of these remittances in the development of the labour sending countries?. Unfortunately evidences from the experience of different countries show that,

most of these remittances are spent on unproductive or less productive uses such as consumption goods which instead of contributing to the development of the countries may cause or increase inflation. Gilani (1988:212) studied the impacts of international labour migration on Pakistan and found, that remittances are the largest single source of foreign exchange earning, approximately US\$ 2,000 million in 1980. About two-thirds of the remittance money is spent on consumer goods and the remaining on investment or what is described as consumer-type investment, such as real estate. In the case of the Philippines, Gamboa and Cuayo report (1983:1-2) shows that, 78 percent of migrants remittances was used for food, education and housing, and only 22 percent for saving and investment in economic ventures. Thailand is another country to confirm that most or a large proportion of the migrants remittances is spent on unproductive uses, where Chiengkul (1986:329) says; according to surveys conducted much of the money is not being spent economically. A large amount goes towards the purchase such of luxury goods as home appliances. Thus, from what was presented as an experience of number of countries, it might be safe to conclude that, despite the sizable amount of the remittances the labour sending countries receive, yet much of it is spent on consumption goods. In other words, the contribution of the migrants remittances in the development of the labour sending countries is small. In this regard, another question may be asked, that is, whether spending on the consumption goods is a waste of resources from a public view point?. The answer of this question is "no" as consumer expenditure on any item encourages investment. Here it was indicated by Gilani (1988:212) that "while the consumer uses of remittances may be less valuable than the alternative investment uses, their utility should not be completely ignored".

Another major impact of international labour migration is its impact on the labour market, and therefore the degree of relief of the unemployment and underemployment. The experience of different countries varies depending on many factors like the number of the migrants, the percentage of migrants from the total

number of workers of a profession, the time span needed for qualifying a worker replacing the migrant, etc. Situations of three countries are shown here to explain the different impact on the labour market; the Korean case where Soek (1986:255), have mentioned that, "the increase in migration to the Middle East seems to have improved the domestic employment situation considerably...during the three years (1976 - 1978) period the labour participation rate reached its highest level, about 58 percent, while unemployment dropped from 4 to 3.2 percent". Chiengkul (1986:317) also indicated that, in case of Thailand, it is believed by most Thai economists that the export of Thai workers to the Middle East relieves domestic unemployment. While in the case of Pakistan as pointed out by Gilani (1988:214) less than 10 percent of migrants reported that they were unemployed at the time of leaving the country. Thus, while migration did not directly affect the unemployed, it was indirectly responsible for easing the job market.

It is often argued that, migration enhances migrants knowledge and experience as they acquire skills. Though, experiences of Asian countries are quite mixed as of this argument, and it seems that skilled migrants benefit more than unskilled - if the unskilled benefit at all -. Pongsapich (1987:178) studied the Korean experience and pointed out that "technical and supervisory skills had been gained by more than 70 percent of the migrants, and a managerial and public relations skills had been acquired by as smaller proportion 47 percent in both the cases". In the case of the Philippines Arcinas (1986:145) indicated that, a sizeable number of workers 32 percent of the migrants did not learn any thing new.

To a very great extend, it is believed that migration increases the rate of inflation in the labour sending countries. This relation is generally agreed upon, but the difficulty lies in knowing the extent of that relation. The increase in the financial ability of the families of the migrants workers to purchase appliances and other imported items helps in increasing the prices of these and other items as well. Evidence from different labour sending countries confirm this; for example, in

Pakistan case a quarter of all remittances went into real estate, causing very high inflation in this area. The evidence from India and Bangladesh also points out that remittance money was responsible for very high inflation in real estate (Gilani 1988:214).

Last but not least impact of international migration is, its impacts on the increase in the wage level in the labour sending countries, (whereas migration makes a contrary impact in the labour receiving countries). The mentioned impact is always caused either by shortage of workers of a particular profession or the financial improvement of extended families discourages workers to accept a work below certain level and both are results of migration. Soek (1986:255) indicated that in Korea "the average monthly wage for all workers increased from US\$ 129 to 229, and the wage for construction workers from US\$ 237 to 459. Such a sharp rise in wages was primarily due to the rapid growth of national economy. But a substantial part of it can be attributed to a relative shortage of labour due to migration to the Middle East."

4.1 Impact of International Labour Migration on Sri Lankan Economy:

Migration phenomenon has diverse impact, positive and negative, to both labour sending and receiving countries. The truth in what was mentioned can be felt clearly when the number of migrants is high as in the cases of all Asian countries in the Gulf. The problems with these impact are, in many of the instances it is virtually impossible to differentiate positive from negative or advantages from disadvantages, consequences of international migration, as they are generally not mutually exclusive.

This research paper will focus on the impact of Here labour migration on labour sending countries and more precisely, on Sri Lanka as a case study. The impacts of labour migration - to both labour sending and receiving countries - can be studied from different angles. Migration has an impact on the demography

of the country, the social, political, psychological, and cultural life of the country. In this study a general evaluation of the impacts will be made based on the criteria of cost and benefit of migration to the labour sending countries in general and Sri Lanka in particular.

4.2. Positive Impacts of Sri Lankan Labour Migration:

Millions of people around the world are employed or seeking employment beyond their territories in spite of the difficulties and sacrifices one has to make, in some cases even governments - as in the case of Sri Lanka - encourage people to migrate. These factors are clear indicators that migration has a positive impacts even if the associated price to be paid is high. Here below are some of these positive impacts of migration

4.2.1. Remittances and Foreign Exchange Earnings:

Sri Lanka like all other developing countries, has many economic difficulties on the top of which is its foreign exchange balance which is worsening year after year. In fact the debt problem in low income countries in Asia in general is deteriorating as, the external debts increased between 1973 and 1982 from US\$ 16 billion to US\$ 38 billion (Burki 1984).

The chronic foreign exchange and balance of payment problems for the last two decades or so in Sri Lanka compel the government to do all it's possible best to overcome these problems. These efforts include, giving priority to development, diversification of exports expansion of tourism and import substitution of both consumption and capital goods. However, these efforts have been only partially successful and the balance of payment continue to be the major economic issue (Shah 1986:226).

Remittances are defined as "transfers made from earnings and/or accumulated stock of wealth by individuals who are resident in a foreign country on a temporary basis" (Bascom 1991:74). Thus, remittances from the Sri Lankan Labour migrants contribute effectively toward easing the problem of foreign exchange of the country since the 1980s. As in the year 1982 it covered approximately the equivalent of 25 percent of the imports

bill for petroleum products and contributed nearly to 16 percent toward bringing the deficit in goods and services account of the 1983 balance of payment (Gunatilleke 1991:183). The table below shows the remittances of the Sri Lankan migrants from 1970 to 1992 and the percentage of the remittances to both the GDP and the country's export.

Table (13)

Sri Lankan workers' remittances and GDP in US dollars 1970-1992

Remittances	Year	remittances	GDP	Exports of	Remittances
			goods & services	as % of GDP	as % of exports
1970	3,000,000	3,148,000,000	378,500,096	0.10	0.79
1971	3,410,130	3,220,100,096	378,123,104	0.11	0.90
1972	3,908,560	3,144,499,968	367,620,992	0.12	1.06
1973	7,510,420	3,444,400,128	426,902,016	0.22	1.76
1974	8,177,950	3,575,099,904	575,944,192	0.23	1.42
1975	8,562,660	3,808,800,000	639,059,776	0.22	1.34
1976	12,957,700	3,942,299,904	635,996,224	0.33	2.04
1977	18,482,900	4,144,699,904	866,868,416	0.45	2.13
1978	39,031,008	4,366,799,872	970,269,376	0.89	4.02
1979	60,065,408	4,647,799,808	1,173,560,064	1.29	5.12
1980	151,700,992	4,915,500,032	1,339,956,992	3.09	11.32
1981	229,559,008	5,191,000,064	1,374,889,984	4.42	16.70
1982	289,306,912	5,580,599,808	1,348,247,040	5.18	21.46
1983	294,477,088	5,851,899,904	1,403,821,952	5.03	20.98
1984	300,944,896	6,134,000,128	1,795,906,944	4.91	16.76
1985	291,652,096	6,447,000,064	1,644,509,952	4.52	17.73
1986	325,968,096	6,719,799,808	1,581,822,976	4.85	20.61
1987	350,057,984	6,799,799,808	1,791,358,976	5.15	19.54
1988	357,667,104	6,983,399,936	1,884,962,944	5.12	18.97
1989	358,011,904	7,131,700,224	1,909,266,048	5.02	18.75
1990	400,775,904	7,581,199,872	2,385,684,992	5.29	16.80
1991	442,094,112	7,920,999,936	2,604,709,120	5.58	16.97
1992	547,804,928	8,243,100,160	2,990,880,000	6.65	18.32

Source: World tables 1994

As explained in a previous chapter, the migration boom was from 1977 to 1980 and since then the number is increasing but at a relatively sluggish rate. The impact of the mentioned is clear from table (13) as the remittances jumped from 39,031,008 to 60,065,408 to 151,700,992 from the year 1978, 1978 and 1980 respectively. From the year 1980 till 1992 the migrants remittances continue to increase at a modest rate - with an exceptional nominal decline from 300,944,896 to 291,652,096 in the years 1984/85 -.

The impact of the jump in the remittances - and afterwards - can be clearly noticed by looking at the remittances as percentage of the GDP and the remittances as percentage of the country's exports. The column of the remittances as percentage of the GDP, reflects the increasing percentage and thus the increasing importance of the remittances to the economy. As in the case of the remittances, the remarkable jump was in the year 1978/79 when the percentage of the remittances to the country's GDP from 1.29 percent to 3.09 percent and since then it

increasing at a decreasing rate. Most of what was mentioned in the case of the remittances column can be said in the case of the column reveals the remittances as percentage of exports. But the percentage increase here witnesses fluctuations caused by the fluctuations in the prices of the country's exports mainly the price of the tea which is the country's principle export. In the same years 1979, 1980 and 1981, the remittances percentage as to the exports was quite sizable as it jumped from 5.12 percent in 1979 to 11.12 percent in 1980 to 16.70 percent in 1981. From 1983 to 1986 the percentage of the remittances as to the exports declined and then start rise again, followed by another minor decline till 1988 and finally started to rise till 1992. These fluctuations as mentioned earlier are attributed to the increase in the remittances and the fluctuation in the exports prices.

4.2.2. Improvement in the Standard of Living:

No doubt the major - and may be in nearly all the cases - incentive of Asian migrants to the Middle East is the high level of income, specially when considering that, a high percentage of the migrants come from the rural areas where the bulk of the population lives below the poverty line like in the case of Sri Lanka. In this regard, Elens and Schampers (1986:12) have mentioned that "the main incentive to migrate for work in the Middle East is without doubt the low income and living standards of potential migrants in the country of origin as against the high - level in the Gulf." Such a situation makes more and more people to migrate or to be keen to migrate, as of now approximately one person from every 50 households is now migrating each year and about 5 - 6 percent of all households have benefited from foreign employment during the past five years (Shah 1986:226).

In fact migration improves the standard and helps the sending countries on different grounds; first at the micro level, individual migrant can improve his/her household standard of living as he/she earn ten or more times by being in the Gulf. The improvement in this respect is clear in terms of nutrition,

housing, education, the material consumption, etc of the migrants families. Secondly, at the macro level, government has been providing free education, free medical services, subsidised food and subsidised transport. Thus, the improved living standards of the direct beneficiaries of foreign remittances are likely to reduce the government burdens and expenditures on these programs. Thirdly, migration has a positive impact in reducing income disparities as mentioned by Shah (1986:228) when he said "the upward shift in the economic and social status of migrant families, who come from low - income backgrounds, appears to have reduced income disparities at the lower end of the income scale." Fourthly, last but not least, migration have impact and additional revenues for other businesses in the sending countries like, airlines, travel agencies, banks, recruiting agencies, training institutions, translation services, etc.

4.2.3. Relaxation of the Labour Market:

It is generally believed that migration helps in solving the problem of unemployment and under-employment especially in the case of highly populated countries from which most of Asian countries suffer. Such a situation is always created due to the rapid growth of population without any or with little economic development, therefore any export of labour will create a relaxation in the labour market.

In the case of Sri Lanka the mentioned argument of decreasing unemployment through labour migration is not so significant as for other Asian nations, as the bulk of migrants labour from Sri Lanka are female who were previously not actively taking part in the formal labour market (Spaan 1989:62). Despite there is no available figures to show how much migration helped in reducing unemployment and underemployment in Sri Lanka yet, it must have contributed - to an extent - in relaxing the labour market as mentioned by Korale (1986:224) "Middle East has helped to alleviate some unemployment problems within the country, especially in those occupation for which opportunities had become scarce such as clerical, skilled and manual occupations".

4.2.4. Acquisition of Skills:

It is assumed that migrant labour learn new skills in the host countries as they deal with more developed and sophisticated technology which can not be learned or easily found in their home countries. Another improvement in the knowledge and skills of labour take place in the country itself as a result of the competition of getting an employment opportunity abroad. The assumption mentioned earlier, theoretically speaking might be true, yet in reality there is little evidence to support the assumption specially in the case of Sri Lanka as the bulk of migrants are unskilled workers. In addition to the mentioned, quite a great number of migrants change their occupation upon their return from migration. Here Shah (1986:8) stated that, there is substantial evidence in Pakistan, Sri Lanka and other countries that the workers do not continue in their principle overseas occupation when they return.

4.2.5. New Markets for the Sri Lankan Local Products:

When the number of migrants increases from a particular country or region - as it is the case of the Asian migrants in the Middle East - this creates a new market for the local products of the labour sending countries. These products are imported initially for the migrants of the exporting country, but sometimes some of these items become popular among the nationals and other migrants, this may be more clear like in the case of food. Now Asian countries with huge migrant workers in the Gulf export a number of items to the region starting from foods, clothes, local cosmetics, cigarettes, and many other stuff.

4.2.6. Effects on Individuals and Families:

In fact, the effects of migration on individuals and families are very mixed as migration has both positive and negative impact on both. Here we deal with the positive impacts where negative impact will be dealt with later on. Brockmann (1986:170) reported on Sri Lankan migrant women and concluded that, the women achieve higher status due to their economic

activity, as they have become income earning members of the households and the community. Another positive effect of migration is what was noted by Korale (1983) and explains that, due to the absence of one of the spouses, the left behind parent often calls on the help of close or distinct relatives for assistance in child care and the running of the household. This not only contributes to the strengthening of the extended family system in Sri Lanka, but also sharing of remittance income outside the 'nuclear' family.

4.2.7. Political impacts:

Mainly the political impacts of labour migration as far as Sri Lanka is concerned can be felt on two grounds. Firstly, as the number of the Sri Lankan migrants in the Gulf states is huge - estimated to be 200,000 migrant workers - the Sri Lankan government compelled to have a political relations with these countries which turn to be for the benefits of all the countries. Secondly, Sri Lanka did not develop an efficient system to enable the migrants to vote, the absent of all the votes of the migrant workers and their families will have an impact on the political structure of the country especially if we consider that all migrants workers are entitled to vote - above 16 years -.

4.2.8. Cultural impacts:

The bulk of the Sri Lankan migrants have never been out side their country or even in some cases their region, before their departure to the Gulf. Thus, their present there provide them opportunities of mixing with the nationals of the host country and the other foreigners there. In fact as the Gulf region attracted people from numerous countries, this situation has benefited all those in the region. As the cosmopolitan environment enhances people knowledge of other cultures, languages, religions, etc.

4.3. Negative Impacts of Sri Lankan Migrant Labour:

No doubt that positive impact and the advantages at the micro and macro levels are considerable and can not be neglected but, on the other hand many theorists have argue that, these positive impacts are not sensible as they appear from the first glance. The counter arguments advocate that, advantages of labour migration are not free of charge and rather associated with heavy prices to be paid, even to such an extend one should not be happy with them. Furthermore, some scholars have mentioned that, in spite of the agreed advantages enjoyed by the labour sending countries, yet these countries loose more than they gain especially if one looks at the long run prospective. Here below are some of these negative impact:

4.3.1. Unproductive Uses of Remittances:

Evidences from many countries and Sri Lanka is no exception, show a very small proportion of the remittances is invested in productive uses and employment generating activity contribute to general development of the country. On the contrary most of the remittances are used for non productive ventures like housing, clothing, consumption items, social ceremonies, etc. Marga survey (1986:236) pointed out that Sri Lanka revealed that only 10 percent of the migrants had invested in business, 13 percent in machinery, equipment and vehicle and 12 percent still had substantial savings which were still not put to use. Findings of Shah's study on this issue also substantiate the mentioned statement when she said "the developmental impact of remittances, however, is blunted by the fact that 50 percent to 70 percent of remittances are spend on current consumption and most of the rest is used to purchase land and housing and to make housing improvements" (1986:7).

4.3.2. Inflationary Effects:

In fact this inflationary effects are directly linked with the preceding mentioned point of the unproductive uses of the migrants remittances. These remittances are used in the country, so if they are put in a developmental and employment creating uses, it will break the vicious circle of the low income, low

savings, low investment and low production in the country. But as it is explained, the remittances are spent on consumption and luxury goods, which increases the demand for such goods and the fixed supply prices go up. In 1977 Sri Lanka liberalised its trade policy, resulted in inflow of luxury goods and food stuffs, and because of the new demand created from the money generated by migrants, the country's imports has risen accordingly which adversely affect trade balance situation.

4.3.3. Labour Shortage:

Sri Lanka may be among the luckiest labour sending countries because it suffer's, marginally from what is known as 'brain drain' and this is so because the vast majority of the Sri Lankan migrant labour are unskilled labour. As shown in table (11) "skill composition of migrants" 74 percent of the Sri Lankan migrants are unskilled workers. Furthermore, from table (12) "occupation before migration by sex" the inquiry shows 21.66 percent of the Sri Lankan migrant labour were unemployed, and 76.86 percent of the female migrant labour were housewives. Thus, considering the fact that the majority of migrants fall in the unskilled category with a majority of females , make serious manpower shortages less likely (Spaan 1988:66).

Nevertheless, an affect has been felt of labour migration, Korale (1986:225) notes that "due to an acceleration of development programmes within Sri Lanka since 1978 together with the employment opportunities for skilled - and middle level workers in the Middle East, the available manpower resources in these categories have been quickly absorb leading to intensified training programmes to fill up the gaps on the labour market". Yet it is to be mentioned that other countries do suffer from this particular factor much more than Sri Lanka.

4.3.4. Adverse Social and Psychological Effect:

Despite the serious social and psychological effects of migration on the migrants and their families, yet, very few studies have been made on this issue. In fact the social and psychological impacts are very controversial and difficult to

quantify though, their importance compel all concerned to consider these aspects. As mentioned earlier, migration has both negative and positive impact, the positive impact have been discussed and among the negative impacts are; Firstly, when one or both parents leave their children especially when the absence of the parent/s is for long time, this always have a negative effect on the up bringing of the children. Secondly; female migrants experience a negative effect on their reputation, as doing household work for others is generally looked down upon in Sri Lanka and as stories about women's behaviour (like prostitution) and maltreatment in the Middle East have caused a great deal of suspicion (Kodithuwakku et al 1983:17). Thirdly; separation for a long time also leds to deviant behaviour which destabilises and upset family relations. The study of Thekkamalai (1986:13) about the consequence of labour migration revealed that, "in several families, migration resulted in long period of separation between husband and wife so there is deprivation of sex life in migrant's family. This resulted in problem of some wives developing illegitimate relation with unmarried youth. When these affairs come to the knowledge of the husbands some of them divorce their wives, while others were forced to continue their marriage life for the sake of their children's future." Spaan also in his study (1988:67) has mentioned, it is often found in the local news paper in Sri Lanka that situations of this social impact like, men whose wives had migrated and who wasted the remittances the women send on liquor, drugs, gambling and other women, some even quit their jobs as a result of the sudden affluence occurring from remittances of their wives, some with grave consequences like the committing suicide by one of the spouses. Last but not least, Abbasi and Irfan quoted in Arvold 1984, women whose men had migrated have developed all kinds of psychosomatic such as headaches, anxiety, backaches, hysteria, epilepsy and hyperventilation ... These disorders have become so frequent that they have been termed the "Dubai Syndrome".

CHAPTER 5

CONCLUSION

Migration is not a new phenomenon, as history tells us the existence of migration is as old as the existence of man on the earth. But, as the magnitude of migration is getting higher and higher the impact of migration is becoming more tangible and severe for both the labour sending and receiving countries. These impacts include economic, social, cultural, demographic, psychological, political, etc, here in this study the focus is on the labour sending countries and more precisely on the Sri Lanka and Sri Lankan migrant workers in the Gulf region. As mentioned the impact of migration are diverse and can not be properly studied and analyzed in one research and certainly not like this research paper due to the constraints of time and resources. Therefore, the main emphasis is given to the economic impact and to the possible extent of the social impact.

Traditionally, Sri Lanka was not known as a labour sending country. The migration trend started in the 1960's but in a very small number and only among the academicians and the professionals and they used to migrate to Europe, North America and Australia. But from the late 1970's migration was no longer confined to special quality or qualification as both skilled and unskilled started to migrate - and even the bulk of the migrants came from the unskilled category (74%) - and the direction of migration changed to the Gulf region.

As for the Sri Lankan migrants in the Gulf, there have been two factors behind their migration. Firstly, the Middle East demand for labour and the high standard of living "the pull factors" which are caused by the discovery of oil and particularly in the 1970's. Sri Lankan migrants are primarily motivated by the substantial difference in earning which reaches up to fifteen times compare to Sri Lanka as expressed by Korale (1986:218). Secondly, the deterioration of the standard of living which is caused by many factors including unemployment, the

lifting of the government subsidies on many items, the introduction of the structural adjustment policies (SAPs), etc or the "push factors". Sri Lanka is the last country among the South East Asian to join the Gulf labour market, and that is caused by a number of factors on the top of which was the government policies which were discouraging international migration before the adoption of the open door policies in 1977. Although Sri Lanka as mentioned joined the labour market late, yet the number of the Sri Lankan migrants in the Gulf increased drastically within a short period. This is because of the mentioned change of government policies related to migration, in addition to that, the first Sri Lankan migrants to the Gulf were professionals and highly educated and they succeeded in building a good reputation of the Sri Lankan workers in general and finally, the willingness of the Sri Lankan migrant to work with a relatively low wages. Table (9) reveals that, the number of Sri Lankan migrants in the Gulf was 200,000 in 1983, though the number is the smallest compared to the other South East Asian countries shown in the table yet, their percentage as to the total population is the highest (1.32%). The implication of that is, the impacts of the migration will be more on the sending country.

As mentioned in an earlier chapter, the problem with the impacts of migration is that, - in most of the cases - it is virtually impossible to differentiate between positive and negative impact or advantages and disadvantages. Vasquez (1992) says in connection with the economic impact of migration, it should be set within the context of whether "the temporary emigration of productive workers and the corresponding inflow of remittances result in an increase of real production or rates of production."

Earlier it was indicated, Sri Lankan workers migrate primarily to improve their standard of living, and government encourages international migration mainly to generate foreign exchange. Thus, the important question to be asked here is, to what extent did emigration of Sri Lankan workers improved their standard of living? At the micro level and to what extend the

government benefited from their remittances at the macro level? At the micro level migration impact on the migrant's and his/her family is clearly noticeable, and this is reflected in material and financial terms as in their quality of life like, in nutrition, housing, education, the material consumption etc. While at the macro level the impact of migration is not as clear as at the micro level. Migrants remittances are considered the second major source of foreign exchange earning in Sri Lanka after the tea export which is the principle export of the country. To explain this in numerical terms, in the year 1970 the migrants remittances were US\$ 3,000,000 in 1980 the figure increased to US\$ 151,700,992 and in 1992 the figure increased to US\$ 547,804,928. Another additional advantage is the improvement in the standard of living of the migrants and their families, reduced government spending and subsidies besides it also helped in reducing income disparities in the country. Despite the indicated positive impacts of the migrants remittances yet evidences show that, its developmental impact is far from satisfactory as 50 percent - 70 percent of the remittances are spent on current consumption and most of the rest is used to purchase land and housing and to make housing improvements (Shah 1986:7).

Among the positive impact of migration, especially for the populated countries, is the relaxation of its labour market as it reduces unemployment and underemployment. But this factor does not count much in the case of Sri Lanka as the study of Spaan (1988:126) shows 60.83 percent of Sri Lankan migrants were housewives before their departure to the Gulf - the bulk of the Sri Lankan migrants are females - and only 21.66 percent of the migrant labour were unemployed. A related points to be mentioned in this regard are, some of the sending countries experience labour shortage in certain occupations caused by migration and/or suffer from what is known as brain drain, this is unlikely to happen in the case of Sri Lanka for the mentioned reason. Though, many thinkers argue that, even in cases of countries like Sri Lanka where the bulk of migrants are unskilled labour yet, mid - level and high level professionals continue to form part of

outflow. Despite what was said in the previous point yet, some measures can be taken by the government as recently most countries enforced policies to deal with the indicated problems. As for instance, imposing restrictions on the migration of certain professions like in India, where special kind of clearance is needed before the departure of certain category of passport holders.

Theoretically speaking, it is always assumed that migrants learn new skills in the host country as they deal with more advanced and sophisticated technology. Though, in reality there is very little evidence to support this assumption specially in the case of Sri Lanka where the bulk of the migrants are unskilled labour engaged in the domestic service.

Looking into the advantages and disadvantages of migration, sometimes there is no doubt about the existence of the impacts although it is difficult to measure and quantify these impact. From the many unquantifiable impacts is the political impact resulted from the political relations which was created in the first place because of their migrants in the Gulf. So, how much does the countries or governments gains - or lose - as a result of the political relations. The presence of hundreds of thousands of Asian in the Gulf must have a cultural dimension and impact to both the migrants and the nationals so, again no quantified answer but as mentioned the impact certainly do exist.

Another impact which can be at least to some extend quantified, but so far no studies have been made to evaluate its impact is, the market for the Asian products which is created as a result of the presence of the Asian migrants in the region. So, the exact size and extend of the demand of these products is not quantified. Last but not least of these series of the unquantified impact is, in Sri Lanka like in other sending countries it is always argued that, migrants due to the improvement in their standard of living they increase the country's demand for goods specially imported and luxury goods and causes inflation in the country. This is not only in goods but also in prices of land and houses. Thus, as in the previous cases the impact of the migration and migrants is unquestionable

but the extend is unquantifiable as it is difficult to isolate the specific impact of migration from the general increase in prices arises from a variety of other factors.

No where is the impact of migration as complicated - and contradicting sometimes - as in the case of the social impact. On one side, migration is greatly responsible for the improvement and the empowerment of women and has positively enhanced their social status. Migration does help in the improvement of the standard of living of not only the migrants and their nuclear families, but also the extended family or at least to some of the members of the extended family as a reward for their help as in most of the cases assistance is asked for the upbringing of the children left behind. This kind of bond has a positive impact of keeping the family - or the extended family - more intact. In addition to the mentioned, the improvement in the standard of living enables the children of the migrants families to have a better quality of education and high education as well which can not be provided without the migration.

On the other hand, the negative social - and psychological - impacts are numerous as the absent of one or the two parents for a long time has a negative impact on the upbringing of the children, and in many cases children become deviants or leave school because of the mentioned. Female migrants experience a negative effect on their reputation as doing household work for others is generally looked down upon in Sri Lanka, specially as stories about women behaviour (like prostitution) and maltreatment in the Middle East caused a great deal of suspicious (Kodithuwokku 1983:17). The separation of the spouses over a long times also deviates and interrupt relationships and in many cases caused divorce either because of the separation or the illegitimate relationship discovered by one of the spouses. Add to that, the social and psychological pressure in the Gulf caused by the workload, the climate problem, ill treatment etc. Last but not least Abbasi and Irfan in Arvold 1984 added an interesting statement when they said, "women whose men had migrated have developed all kinds of psychosomatic ailments, such as headaches, anxiety, backache, hysteria, epilepsy and

hyperventilation . . . these disorders have become so frequent that they have been termed the "Dubai Syndrome".

Thus, before the end of this chapter, stating the following remarks shall be useful:

Remittances from Sri Lankan migrants contribute effectively in easing the problem of foreign exchange of the country since the 1980. As in 1982 it covered approximately the equivalent of 25 percent of the imports bills for the petroleum products and contributed nearly to 16 percent toward bringing the deficit in goods and services account of the 1983 balance of payment (Gunatilleke 1991:183). Moreover, the reduction of the government expenditure on helping at least part of the weaker section of the country is another credit to international labour migration to the country. Yet, there is still a good margin of utilizing migrants remittances more productively, as government can motivate migrants - by using different tools like tax holiday or special facilities, etc - to invest in certain areas with reasonable rewards to the investors and at the same times it adds to the country's development. In this regard, Connell (1983:42) says, the poor investment of the migrants can probably be attributed to the general lack of investment opportunities in the village and localities from which the migrants came.

International labour migration from Sri Lanka did not have a very sound impact on reducing unemployment in the country as indicated earlier because the bulk of the migrants workers are from the unskilled housewives category. Korale (1986:224) said "Middle East has helped to alleviate some of the unemployment problems within the country, specially in those occupation for which opportunities had become scarce such as clerical, skilled and manual occupations".

The majority (74%) of the Sri Lankan migrants in the Gulf are unskilled, this has the following implications; first the argument of the acquisition of new skills in the host country will be relatively negligible as they are unskilled labour. Secondly, as to the labour shortage and the brain drain, Sri Lanka is relatively least affected among the Asian labour sending countries.

Finally, and irrespective of all the positive and negative impacts of migration, as long as there is substantial difference in earnings and/or in employment opportunities then migration will exist. Therefore, efforts must be devoted toward finding ways and means of maximizing the positive impacts and minimizing the negative ones, which is highly recommended to be tackled in a future research.

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