

## **Globalization, Labour Migration and Social Protection in Sri Lanka<sup>1</sup>**

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### **Abstract**

The adoption of liberal, open economic policies in Sri Lanka in the late 1970's has led to a major restructuring of its economy leading to an increasing reliance on urban-based, export production and export of labour. Today, labour is increasingly shifted to urban and overseas markets such as Free Trade Zones, retail trade, construction industry and the Middle East.

The migrant workers are largely young females who engage in semi-skilled or unskilled jobs. After a spell of employment, they return home either for good or for a short period before they migrate again. These migrant workers are rarely allowed to settle down in their host countries. Their migration, therefore is circulatory.

They continue to participate in this transitory labour market till they reach the age when they are no longer in demand. They are, then forced to return to their families and settle down in the villages for good.

This new phenomenon of labour migration has significant social implications due to both the sheer magnitude of the exodus and the nature of their participation in these global labour markets. In the case of Sri Lanka, it is estimated that there are over 1.5 million workers employed in overseas labour markets. While the host countries accommodate these workers when they are young and healthy, it is often the responsibility of the country of origin to look after them when they are not productive, either because they are physically weak or too old to work. On the other hand, since these workers are not covered by any old age pension scheme either in the host country or in the country of origin, they are often forced to rely on informal social support networks built around family and kinship. Yet, due to their long absence from family and neighbourhood, these networks often get eroded. Moreover, unmarried women face difficulties in finding partners due to various circumstances.

This situation naturally has serious implications for their future well-being.

Given the fact that migrant labour is more than likely to be a major phenomenon in the Asian region for many years to come, it is necessary to develop

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appropriate policy instruments, institutional mechanisms and intervention programmes to address both negative social effects of labour migration and issues of present and future well-being of migrant workers.

## 1. Introduction:

Economic Liberalization programme launched in Sri Lanka in the late 1970's has been instrumental in both revamping the country's economy and its integration with the global capitalist system (Hettige,1996). The drastic socio-economic changes that economic liberalization led to prepared the groundwork for rapid mobility of labour, both internally and internationally. While the Export Processing Zones established in the Colombo metropolitan region attracted many young workers, mainly female, from rural areas, employment opportunities that came up in the oil-rich, Middle East countries led to a major exodus of Sri Lankan workers, again largely unskilled rural women. The process of labour migration has continued unabated since then, and today, it is estimated that over 1.5 million Sri Lankan workers are engaged in contract employment abroad, mostly, in the Middle East but also in several Asian and European countries<sup>2</sup>. The profile of migrant labour has changed over time but the majority of the workers continue to be female and unskilled (See Tables 1 and 2).

**Table 1 Departures for Foreign Employment 1986 – 2007\***

Year	Male		Female		Total
	No.	%	No.	%	
1986	11,023	66.98	5,433	33.02	16,456
1987	10,647	66.02	5,480	33.98	14,127
1988	8,309	45.09	10,119	54.91	18,428
1989	8,680	35.11	16,044	64.89	24,724
1990	15,377	36.08	27,248	63.92	42,625

<sup>2</sup> According to official data, migrant workers have left the country in increasing numbers over the last three decades, resulting in a cumulative figure of over 1.5 million in recent years. The number can be even higher if unrecorded migration is also taken into account. Besides ME countries, several newly developed Asian countries like Singapore and Malaysia also has attracted Sri Lankan workers. Italy is the most prominent European country that has attracted a large number of workers from Sri Lanka in recent years.

Year	Male		Female		Total
	No.	%	No.	%	
1991	21,423	32.97	43,560	67.03	64,983
1992	34,858	28.00	89,636	72.00	124,494
1993	32,269	25.00	96,807	75.00	129,076
1994	16,377	27.22	43,791	72.78	60,168
1995	46,021	26.68	126,468	73.32	172,489
1996	43,112	26.52	119,464	73.48	162,576
1997	37,552	24.99	112,731	75.01	150,283
1998	53,867	33.71	105,949	66.29	159,816
1999	63,720	35.45	116,015	64.55	179,735
2000	59,793	32.82	122,395	67.18	182,188
2001	59,807	32.50	124,200	67.50	184,007
2002	70,522	34.61	133,251	65.39	203,773
2003	74,508	35.51	135,338	64.49	209,846
2004	80,699	37.59	134,010	62.41	214,709
2005	93,896	40.60	137,394	59.40	231,290
2006	90,170	44.65	111,778	55.35	201,948
2007*	102,629	47.23	114,677	52.77	217,306

\* Provisional Source: Annual Statistical Report of SLBFE 2007

**Table 2:- estimated Stock of Sri Lankan Overseas Contract Workers by Manpower Levels & Sex 2007**

Manpower Level	Male	Female	Total
Professional Level	12,200	2,550	14,750
Middle Level	36,500	10,000	46,500
Clerical & Related	59,300	11,780	71,080
Skilled	260,400	107,100	367,500
Semi Skilled	3,100	100 235	3,335
Unskilled	250,800	77,990	328,790
Housemaid		810,500	810,500
<b>Total</b>	<b>622,300</b>	<b>1,020,155</b>	<b>1,642,455</b>

Sri Lankan workers, along with those from other, less developed Asian countries like Bangladesh, India and Indonesia (cf Siddiqui, 2001) are in great demand in overseas labour markets because of their willingness to work for relatively low wages. Most of the unskilled and semi-skilled persons working in the Middle East today earn about 200 US dollars a month or less, obviously a very small amount compared to wages paid to similar workers in developed, Western countries. On the other hand, the above amount is quite substantial in a

labour sending country, often several times the amount a comparable worker can earn back home<sup>3</sup>. Moreover, casual workers, when they are in the home country do not usually have regular work due to seasonality, changing weather conditions, etc. So, it is very attractive to work abroad for a higher, regular wage even for a fixed period and this explains why there is a constant supply of labour from poorer countries like Sri Lanka.

What are the consequences of a mass exodus of workers on the sending country in social, economic, cultural and political terms and for the workers and the families themselves? This obviously is a very large issue that cannot be discussed in a single paper. So, the present paper is confined to an examination of the likely impact of migration on the future well-being of the workers and their families. The emphasis of the paper is on the possible long term impact because most studies and discussions on the subject deal with issues of here and now and this often makes us blind to likely future impacts of migration and their implications, particularly for social policy.

The paper is mostly based on secondary data drawn from official reports of state institutions compiling statistics on migrant labour and related issues. It attempts to explore the likely future prospects for migrant workers based on an analysis of data on social security.

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<sup>3</sup> For instance, a semi-skilled worker in a modern Free Trade Zone factory in Sri Lanka earns about 6000 rupees per month, which is about 50 US dollars. On the other hand, casual workers in rural areas usually earn much less as their work is irregular and seasonal.

## **2. Community Studies on Migrant Families**

Labour migration process in Sri Lanka is a cyclical one. While more than a third of the migrants, having come back to Sri Lanka after a spell of employment abroad, go back to the same country or elsewhere for another spell of employment, others remain in the country for good. The decision to remain in the country depends on a range of circumstances. They may include negative experiences with migration, resistance from family members, inability to find another placement, general satisfaction with what was achieved from previous overseas employment and reaching the age beyond which foreign employment can no longer be found. On the other hand, those who resort to repeat migration also do so due to various reasons. These usually include, exhaustion of all previous savings due to wastage or chronic poverty of the family, break up of family or lack of strong family ties, preference for living and working overseas, desire for accumulation of savings and assets, inability to find suitable employment in Sri Lanka, etc.

Already many community level studies have been conducted in Sri Lanka exploring patterns and outcomes of labour migration (cf. Hettige, 1988, 1990, 1991, 1992). They have pointed to the fact that the vast majority of workers migrate due to poverty. They also indicate that some families overcome poverty after migration while many remain as poor and vulnerable as before. However, it is difficult to generalize about their social and economic impact using data drawn from community level studies.

## **3. Future Prospects of Wage Workers under Liberalization**

Wage employment has undergone many phases of change in both time and space. It reached perhaps its optimal state in mature welfare states in Western Europe and Japan and later spread to several other countries across the globe. In these countries, full employment and progressive social legislation

made wage employment lucrative, safe and secure. In much of the rest of the world, wage employment rarely approximated the above situation. While in some situations, wage earners were neither well paid nor secure, in others, they enjoyed varying degrees of prosperity, security and self-respect both during and after employment, depending on such factors as the level of economic development of the country, the nature of the political system, extent of organization and influence of labour and social security systems available.

As is well known, it was under conditions of economic prosperity, full employment, a high level of organization and power of worker organizations and centralized labour legislation in welfare states that favourable working conditions characterized by stable employment, shorter working hours, higher wages, old age pensions, etc were achieved. Employers in such situations, however large and powerful they were, could not bypass the regulatory framework in place. As is well known, the above conditions did not fully develop in much of the rest of the world. For instance, in Sri Lanka, in the most organized sector of the economy under British colonialism, namely, the plantation sector, a form of semi-slavery prevailed until after political independence in 1948. Post-independence labour legislation prepared the groundwork for the improvement of working conditions in the organized sector but the latter covered only a small part of the working population. The vast majority of productively employed people remained within the informally organized segments of the economy such as agriculture, cottage industries, fishing, and the urban informal sector. So, the vast majority of the working population had to rely on informal social support systems based on family, kinship and community in the case of work-induced disability, loss of work or income, and old age. Since many of those who provided such social support were also poor, informal social support systems often amounted to sharing of poverty and usually, did not fully liberate the unemployed, the disabled, the sick and the aged from want. Direct and indirect subsidies provided by an over-burdened state helped ameliorate the above conditions to a limited extent.

The above situation changed for the worse immediately after economic liberalization in the late 1970's. In order to attract foreign capital, the state had to suspend trade union rights in the newly established Export Promotion Zones. Privatization of state enterprises and the expansion of the private sector created more space for the employers to adopt hiring and firing practices unfavourable to employees. In a situation of widespread unemployment, they could continue with their unfair practices without much difficulty. It is also noteworthy that there have been an increase in casual labour after economic liberalization. In other words, there is greater instability and insecurity of work today, under liberal economic conditions.

Economic Liberalization has had a major impact on subsistence-oriented economic activities in many parts of the country. Increasing cost of living due to inflation and rapidly rising wants due to fast spreading consumerism made the above activities unattractive or untenable for many people. Increasing influx of imported goods after liberalization also posed a threat to many production activities, which were earlier protected by import restrictions and high tariff on imports. The situation became worse when increasing costs of production in an increasingly competitive market made the production of certain commodities unprofitable. This has been particularly so with respect to rice cultivation and handicrafts, traditionally two important areas of economic activity in rural areas in the country. Most import substitution industries established after independence also collapsed after economic liberalization leading to loss of thousands of jobs. The demand for goods previously supplied by these local industries was mostly met by imports from industrialized countries.

The conditions outlined above encouraged many people to look for more lucrative, alternative sources of income. Among the latter, overseas employment became highly attractive, largely due to the wide wage differential involved. Since the value of the local currency has declined steadily since the

late 1970's, those who derived their income in foreign currency were among the few people in the country who could effectively cope with increasing cost of living and rising inflation. This situation largely explains the steady increase in the outflow of labour from Sri Lanka over the last two decades. Though the wages of migrant workers do not appear to have increased significantly over the same period, their incomes have increased substantially in Sri Lankan rupee terms. The local workers<sup>4</sup>, on the other hand, have lagged far behind their overseas counterparts.

It is also noteworthy that certain negative social attitudes towards migrants have also been softened over the years due to several factors. At the beginning, it was mostly women of lowly social backgrounds who migrated as housemaids. But, later, when the number increased rapidly, migrants were leaving the country in thousands and some of them hailed from not so lowly social backgrounds. On the other hand, when the migrants returned, their consumption patterns and apparently improved living conditions encouraged more and more young people to consider migration as a way of social and economic advancement. They could bring in consumer goods such as household appliances which they would not have been able to purchase with whatever income they would have earned locally. More importantly, it is the besieged state which saw the greatest opportunity in labour migration. While the authorities in certain countries were seriously considering to impose restrictions on female migration to the Middle East due to well known social and human costs involved, Sri Lankan state took upon itself the responsibility of organizing and sponsoring labour migration, including housemaids. Engaged in a costly war, and faced with dwindling foreign exchange reserves and mounting domestic and foreign debts, it found increasing inward remittances sent by workers employed overseas as a convenient way to cope with the mounting financial burden on the state. So, the post-liberalization regimes have taken various

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<sup>4</sup> In 1977, the exchange was 17 Rupees per US dollar. Today, one US dollar is equivalent to 115 Sri Lankan rupees



steps to facilitate labour migration, of course with the stated objective of safeguarding the interests of the workers and their families. The result of all of the above is that, today, there are about 1.5 million Sri Lankan workers engaged in contract employment in overseas labour markets, mainly in the Middle East.

**Table 3: Value of Exports and Imports and Trade Gap in Sri Lanka (in US\$ '000)**

Year	Exports	Imports	Trade Gap	Remittances
1950	296.5	246.3	50.2	-
1960	377.2	421.2	-44	-
1970	338.7	391.8	-53.1	-
1980	1064.7	2051.2	-986.5	-
1990	1983.9	2686.4	-702.5	444
2000	5522.3	7319.3	-1797	1157
2004	5757.2	7999.8	-2242.6	1564
2007	7740.4	11300.5	-3560.1	2502

Source: Central Bank 2007

**Table 4: Private Remittances and Export Earnings in Sri Lanka**

Year	Private Remittances	tea	rubber	coconut	Garment	total export
1990	16054	19823	3080	2783	25163	79481
1991	18311	17867	2641	2619	31652	82225
1992	24037	14893	2960	3691	49176	107855
1993	30592	19911	3086	27696	62349	138175
1994	34992	20964	3582	3761	68945	158554
1995	40482	24638	5713	5271	84806	195092
1996	46003	24068	5753	6091	93814	226801
1997	54445	42533	4640	6940	121083	274193
1998	64517	50280	2808	6110	142303	310938
1999	74356	43728	2305	9119	155214	325171
2000	87697	53133	2179	9174	206360	420114
2001	103180	61602	2129	7348	208624	430372
2002	123183	63105	2552	8009	214895	449850
2003	136475	65936	3717	8926	231652	495426
2004	158271	74897	5155	11453	268574	583967
2005	197968	81481	4724	11403	276144	638276
2006	241816	91614	10302	12876	320240	715542

**Table 5: Patterns of Employment and Unemployment in Sri Lanka**

Year	Foreign employment as a % of labour force	Unemployment as a % of total labour force	Employment Rate	Unemployment as a % of total labour force (Assuming no Foreign employment )
1992	7.32	14.57	85.43	21.88
1993	7.63	13.78	86.22	21.40
1994	8.23	13.13	86.87	21.35
1995	9.01	12.27	87.73	21.27
1996	9.61	11.29	88.71	20.91
1997	11.33	10.50	89.50	21.83
1998	11.11	9.17	90.83	20.29
1999	11.76	8.86	91.14	20.62
2000	12.49	7.57	92.43	20.07
2001	13.76	7.93	92.07	21.69
2002	13.58	8.76	91.24	22.34
2003	13.12	8.37	91.63	21.49
2004	13.26	8.27	91.73	21.54
2005	16.71	7.20	96.95	19.76
2006	19.06	6.50	93.50	25.56

1.5 million workers represent over 20% of the labour force of the country. If we assume that each worker represents one family in Sri Lanka, then, nearly one fifth of Sri Lankan families might already have at least one member employed abroad. The magnitude of the outflow of labour becomes even clearer if one looks at the cyclical nature of migration. As mentioned earlier, well over two thirds of the migrant workers resort to repeat migration, the rest do not do so due to various reasons. In other words, either the younger members of the same families or others join the outflow. This means that the proportion of families

sending workers abroad increases with growing migration. The proportion of the population facing consequences of migration, both positive and negative, is also increasing over time.

It is against the above background that the present paper focuses attention on the future prospects and problems of migration. The main question that the paper attempts to answer is whether migration leads to a more secure or insecure future for migrants and their families. A satisfactory way to answer this question no doubt is to examine a representative cross section of returned migrants after some time lapse but this cannot be done without undertaking a major national-level, sample survey. So, a paper of the present nature which is based on limited empirical data can only hope to arrive at some tentative conclusions and stimulate some discussion and debate leading to further research, hopefully of a much wider scope.

#### **4. Socio-economic Background of Migrants and Outcomes of Migration**

The immediate as well as long term outcomes of migration depends to a great extent on the background of migrants. When we look at migrants who have achieved considerable economic stability after migration, they are largely from families whose members already possessed some assets or skills. On the other hand, those migrants whose conditions have not improved following migration are those who had migrated due to sheer poverty or other problems.

It is also noteworthy that migrants who had come from very poor socio-economic backgrounds<sup>5</sup> have generally failed to achieve a higher level of economic stability. This has been mainly due to the fact that their earnings have been used to provide the day-to-day needs of their families so that they have not been able to build up savings for productive investment. In other words, for a substantial proportion of migrants, migration is a survival strategy than an avenue

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of socio-economic advancement. In fact, their future is going to be as insecure as it would have been without migration. So, even in an area where returned migrants have potential investment opportunities, many migrants are not in a position to take advantage of them, as they do not have accumulated investment capital.

On the other hand, many returned migrants are living in localities where there exist no avenues of productive investment. In such situations, returned migrants often make wrong investments or use their savings for various forms of private consumption. The result is that, after some time, returned migrants have no savings or other productive assets and are not different to other residents in similar situations but did not migrate for employment.

Individual and community level differences in term of consequences of migration point to the fact that migration does not lead to sustainable improvement of the socio-economic status of a sizable proportion of those who resort to migration. In fact, for many, it is only a survival strategy. What is also noteworthy is that migration in some cases lead to negative outcomes such as domestic violence, break up of families, incest, suicide, drug abuse, social stigmatization, and neglect and abuse of children. In such cases migration is a factor contributing to human misery. In such cases, prospects for future well being of families and individuals involved are minimized rather than improved, quite apart from negative spill-over effects of such cases in the wider society.

## **5. Labour Migration: Short Term Gains and Long Term Costs**

As mentioned before, more and more people in Sri Lanka have perceived migration for contract employment as a way of improving their present

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These migrants are often indebted before migration. Once migrated, they have to use their earnings to pay back loans and support families left behind. Their savings are minimal, if at all.

and future standard of living. Migration of labour is not necessarily seen by the government as a problem as it, in fact, has a salutary effect on unemployment and poverty

and at the same time, helps bridge the balance of payment gap in a significant manner<sup>6</sup>. On the other hand, the future of these workers and their families is not considered as the responsibility of the state. So, those who work in overseas countries and manage to accumulate enough private capital and start their own self-employment activities, may have a more stable future. Otherwise, their situation will not improve, or it may even get worse due to various circumstances. For instance, break up of families and weakening of kinship bonds due to migration may not only have an adverse impact on younger members of the family but endanger future social support, making elderly migrants socially and economically more vulnerable.

Most migrant workers, being unskilled or semi skilled, are not in a position to find decent employment when they return. For instance, domestic helpers who return to Sri Lanka, cannot find better or equally paid employment in Sri Lanka. So, the only possibility for them to have a sustainable income is to establish some form of self-employment that does not require any specialized skill. So, unlike workers engaged in professional or specialized work, most migrant workers do not achieve any professional or career advancement when they are abroad. So, even if they are still young enough to work, they cannot secure reasonably well paid employment back in the country. The situation, of course is not any better for the increasing number of other, locally employed, casual workers either. At least, they often have their family and community network relatively undisturbed, though the latter can hardly compensate for the absence of social insurance against disability, chronic illness, unemployment and old age.

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<sup>6</sup> Export of labour is the second largest source of export earnings in the country after ready-made garments.

Economic liberalization, largely under the influence of globalization, transforms the lives of millions of people exposed to forces associated with these processes. The latter leaves little space for the further development of the rudimentary welfare state that came into being under post-independence social democratic regimes. The main reason for this state of affairs is the growing fiscal crisis given rise to by such factors as falling tax revenues, debt repayment, growing military expenditure, financial commitments largely on account of past social sector investments and poor governance leading to corruption and wastage of public funds. It is significant that the pension and social security funds accumulated over many years have been made use of by the past regimes for recurrent expenditure and is indicative of the magnitude of the above crisis. This crisis has arisen at a time when more and more people no longer have regular, stable and life long employment and will need state assistance to cope with the growing needs of their old age. These naturally include migrant workers most of whom fall outside any social insurance scheme in the country. They leave the country for overseas employment mostly due to low income, unemployment, or poverty and engage in relatively more lucrative work, at least for several years. As mentioned earlier, their numbers have been growing steadily after economic liberalization and today, they constitute a substantial proportion of the labour force. When we add the migrant worker population, the proportion of the population not having access to formal social security is much larger (See Tables 6, 7, 8 and 9 ).

As is evident from the data in Table 6, the proportion of the labour force employed in the public sector covered by formal social protection schemes has declined in relative terms. On the other hand, informal and casual employment is widespread. When people who are not in the formal sector leave the labour force become vulnerable due to lack of access to social security. This is evident from the data in Table 7. Though the government had introduced contributory pension schemes to cater to informal sector employees and activists such as farmers,

official data indicate that there are not many takers and most of them remain outside such schemes (See Figure 1).

**Table 6: *Employment by Sector and Type***

Year	Employment					Total
	Public	Private	Employer	Own account Worker	Unpaid Family Worker	
1990	21.5	33.7	1.8	29.2	13.8	100
1995	15.6	44.3	2.5	28.3	9.4	100
2000	13.4	42.9	2.3	28.4	13	100
2005	13.3	46.1	3.1	29.7	7.9	100
2006	13.5	42.1	3.1	30.8	10.5	100

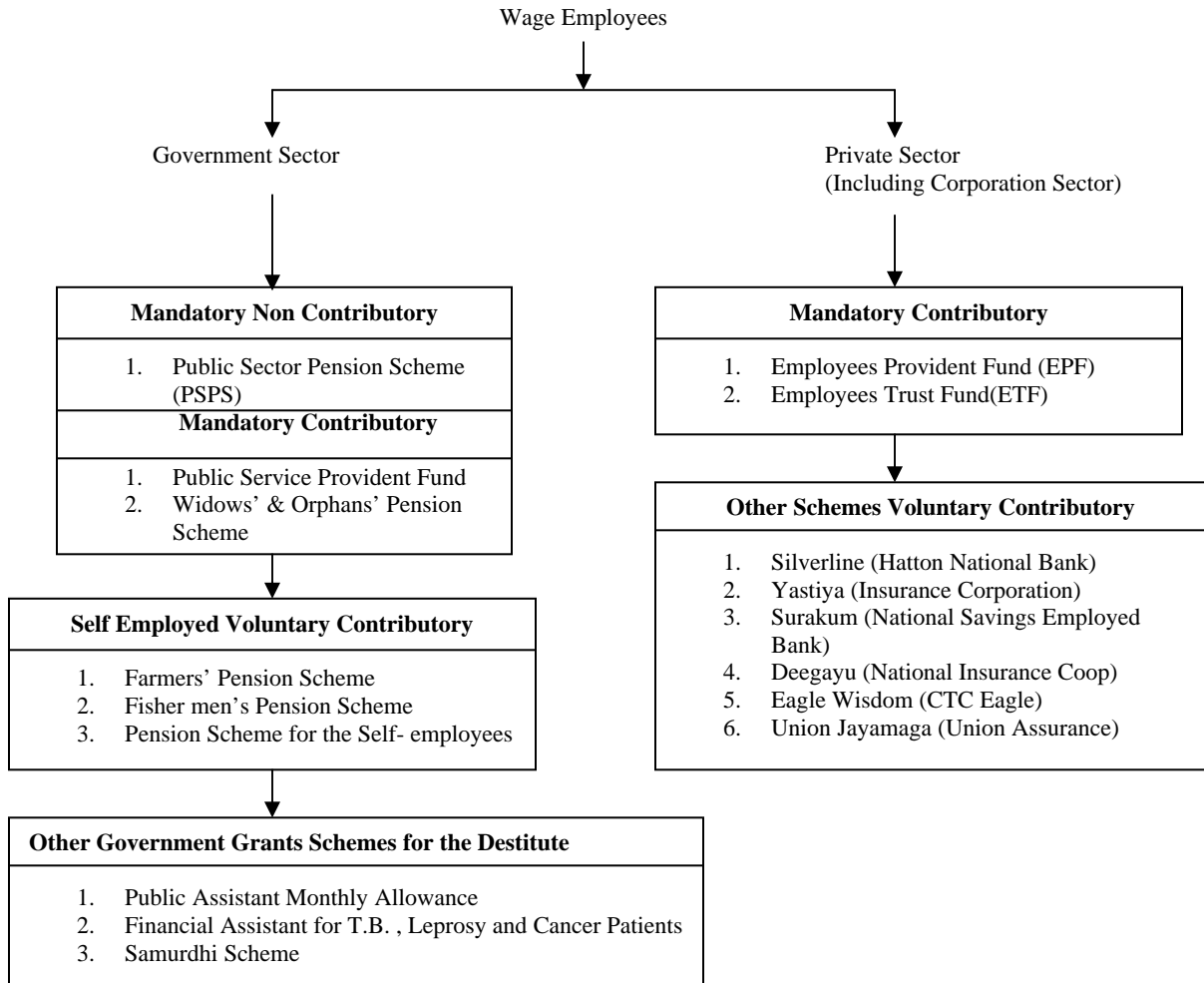
*Source: Department of Census and Statistics*

**Table 7: Percentage Distribution of Elders by Main Source of Income and by Sector**

Source	Sector			
	All	Urban	Rural	Estate
.Salary from Employment /Activity	7.5	8.6	6.9	16.9
Pension / WNOP	13.1	25.1	11.8	2.6
Income from Property	7.7	2.2	8.8	0.8
Bank Interest	0.5	1.3	0.4	0.4
Business/Agricultural Activity	10.3	4.4	11.5	3.9
Assistance from Children	46.3	44.6	45.9	61.8
Assistance from Relatives	5.0	6.2	4.8	6.2
Samurdhi Assistance	5.4	2.6	5.9	3.3
Assistance from Public/ for Illnesses	1.0	1.2	1.0	0.5
Assistance from NGOs	0.1	0.1	0.1	0.0
Other	2.5	2.9	2.4	3.3
Unspecified	0.5	0.8	0.5	0.4
Total	100.0	100.0	100.0	100.0

*Source: National Survey on Elders, 2003-2004*

Figure 1: Social Protection System in Sri Lanka



Source: Jegarasasingham, V. and Karunaratne, G. (2007)

*The only non contributory pension scheme is available to the privileged minority of public servants. Their numbers have gone up in recent years due to increasing political pressure to recruit more and more people into the public service as such employment continues to be very attractive due to various benefits associated with state employment (See Table 8) . On the other hand, employees Provident Fund is a contributory scheme available to employees in semi government and private firms. As is evident from Table 9, the scheme has expanded steadily in recent years. Yet, both these schemes do not cover a majority of the country's population.*



**Table 8: Enrolment in Public Service Pension Scheme**

Year	Total Enrolment	Year	Total Enrolment
1980	303,179	1995	600,835
1981	308,370	1996	623,306
1982	312,348	1997	640,160
1983	343,050	1998	657,310
1984	351,025	1999	672,998
1985	363,435	2000	693,193
1986	394,011	2001	726,966
1987	407,566	2002	761,094
1988	417,755	2003	791,927
1989	426,205	2004	811,164
1990	381,205		

Source: Pensions Department, Colombo (Various years)

**Table 9: Employees' Provident Fund 1980 – 2005**

Year	No. of Employers Contributing to the Fund	No. of Operative Members Accounts	No. of Non-Operative Accounts	Interest Declared
1980	23744	1128264	1921302	9.0
1985	25150	1178324	2720143	13.0
1990	27870	1267885	3624710	11.5
1995	34853	1553006	4952955	12.8
2000	45232	1913228	6520500	11.5
2005	55924	2002652	8797263	9.0

Source: Ministry of Labor, Colombo

If the Sri Lankan state continues to be embroiled in a major fiscal crisis, how could the migrant workers, whose ranks are swelling day - by - day cope with the challenge of securing their own future livelihood security? This is an extremely relevant question because, if the returned migrants in general become more and more vulnerable as they grow older, they will have to rely more and more on the state, both directly and indirectly. If the national leaders say that even the future of regular employees who have contributed to old age pensions may not be secure, what can the thousands of migrant workers, informal sector activists and casual workers expect from the state? As official statistics indicate, successive governments have borrowed most of the funds available in social security funds to meet recurrent government expenditure.

## **7. Conclusion :**

By the very nature of their contract employment in the host countries, Sri Lankan migrant workers by and large are not in a position to build up adequate savings to ensure their economic independence after they return. Only a small proportion of returned migrants have been able to make substantial, productive investments that guarantee an adequate return to meet their present and future needs. Others are either in a position to barely meet their own and their family needs or have already fallen to even a deeper depth in terms of their socio-economic well - being. The latter category of migrants belong to families that have been adversely affected by such problems as maltreatment at the hands of employers or agents, family disorganization, wasteful consumption by family members, lack of investment opportunities, indebtedness, etc. In other words, their situation is worse today in comparison to pre-migration situation.

It is true that many migrants have been able to achieve certain short-term goals such as building or improving their dwelling units, meeting various household expenses like food, health, transport, schooling and clothes and

fulfilling social obligations. When these expenses are met, often nothing much is left, and migrant families are compelled to consider re-migration as an option, or if this is not possible, to look for local sources of income such as casual labour or small informal sector activities. In other words, migration has made no difference with respect to future economic security of the migrants and their families. This is the case for many, if not for most migrants and their families. In some case, their future prospects are very bleak indeed as migration has already disrupted traditional social support networks and made their situation worse. Apart from the few returnee migrants who save enough to be able to make significant productive investments, most others join the population that struggles to survive without adequate formal or informal social security.

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