Migrant Workers from Sri Lanka
A FACTSHEET

Sunita Basnet, Amrita Gurung and **Rajita Dhungana**

INTRODUCTION

Migration is a popular phenomenon in Sri Lanka, and the country serves as a significant labour supplier in South Asia. The number of people going for foreign employment from Sri Lanka is on the rise, with Gulf countries being a popular destination. Many households depend on remittances for their livelihood. Despite this, Sri Lankan migrant workers continue to face challenges before, during and after the process of migration. This paper presents the situation of migrant workers from Sri Lanka, including their population size, nature of employment, recruitment practices, working conditions, wages and benefits, social security and safety nets. Similarly, the paper also describes the situation of employment and unemployment within Sri Lanka, including the wages and working condition of migrant workers.

Migration and migrants

Total out-migration

In Sri Lanka, 8.27 per cent of the total population are migrants.[1] The total number of outflow in 2017 was 212,162, of which 65.64 per cent were male migrants.[2] Although Sri Lankans have obtained employment across 108 countries, almost 90 per cent of them are working in the Middle East; Qatar, Saudi Arabia, Kuwait and the United Arab Emirates recruited 79 per cent of the total Sri Lankan migrant workers in 2017.[3] In the same year, the top ten receiving countries for Sri Lankan migrant workers in 2017 were Qatar (56,644), followed by Saudi Arabia (37,900), Kuwait (37,420), the United Arab Emirates (UAE) (36,657), Oman (8872), the Maldives (6,279), South Korea (5,805), Jordan (3,929), Bahrain (3,002), and Israel (2,498).[4] There were only 1,995 Sri Lankan workers in Malaysia

1 International Labour Organization. 2018. *International labour migration statistics in South Asia: Establishing a subregional database and improving data collection for evidence-based policy-making.* Geneva: International Labour Organization. https://www.ilo.org/newdelhi/whatwedo/publications/WCMS_645286/lang--en/index.htm

2 Sri Lanka Bureau of Foreign Employment. 2017a. *Annual Statistical Report of Foreign Employment 2017.* Sri Lanka Bureau of Foreign Employment. http://www.slbfe.lk/file.php?FID=487

3 Sri Lanka Bureau of Foreign Employment 2017a.

4 Sri Lanka Bureau of Foreign Employment. 2017b. *Annual Statistical of Foreign Employment 2017-SLBFE*. http://migrantinfo.lk/2018/06/annual-statistics-of-foreign-employment-2017-slbfe/

in 2017.[5] The newer destinations for labour migration for Sri Lankans are New Zealand, Papua New Guinea, Angola, Turkey, Fiji, Sudan, Japan, Turkey, Rumania and Uganda.[6]

Among the large number of Sri Lankan migrants working abroad, 28.78 per cent are unskilled, and many are involved in domestic work.[7] Kuwait and Saudi Arabia are popular destinations for female workers migrating for domestic work.[8] Over 55 per cent of migrant worker departures from Sri Lanka accounted for such categories, followed by 32.5 per cent for skilled work and 3 per cent for professional-level work.[9]

Process and cost of recruitment

The workers from Sri Lanka can migrate either through registered foreign employment agencies or direct sources.[10] Act No. 21 of 1985 regulates foreign employment in Sri Lanka, including the recruitment process of migrant workers.[11] As per the Act, the Sri Lanka Bureau of Foreign Employment (SLBFE) is responsible for the 'licensing of employment agencies and data collection on migrant workers and the establishment of a Workers Welfare Fund'.[12] The recruitment agencies can operate only after acquiring a license from the SLBFE.[13] There were 960 registered licensed foreign employment agencies in 2017, and a total of 316,334 job vacancies were issued by licensed agencies.[14] The total departures for foreign employment through all the sources in 2017 were 212,162, and the total departures for foreign employment through agencies alone were 68,564, of which, 29,836 accounted for male departures and 38,728 for that of females.[15] The total departures of foreign employment through private sources (self-basis) were 143,598, out of which, 109,435 accounted for male departures and 34,163 for that of females.[16] Around 68 per cent of the migrant workers have used private sources (self-basis) to access foreign labour markets.[17] There were 224 illegal recruitment activities recorded in 2017; a total of 239 cases were filed against the illegal agencies and licensed agencies that violated the law in 2017.[18]

The Sri Lankan Government Gazette of 1994 mandated the recruitment agencies to charge Rs 3,000 as recruitment cost where the salary did not exceed Rs 5,000; Rs 5,000 if the salary was within the range of Rs 5,000 and Rs 10,000; Rs 7,500 if the salary range was within Rs 10,000 to 20,000; and Rs 10,000 if the salary exceeded Rs 20,000.[19] There was amendment in the Gazette in 1995, which added two more categories for the re-registration of rehires--the agency could charge Rs 2,000 where the contract with the employer was entered into for the second time or more and the salary was less than Rs 10,000; and Rs 3,000 if the salary exceeded Rs 10,000.[20] The SLBFE Amendment Act No. 56 of 2009 granted authority to the recruitment agencies to charge the actual cost in addition to the

5 Sri Lanka Bureau of Foreign Employment 2017b.
6 Sri Lanka Bureau of Foreign Employment 2017a.
7 Sri Lanka Bureau of Foreign Employment 2017a.
8 International Labour Organization. 2019. *Review of law, policy and practice of recruitment of migrant workers in Sri Lanka.* Geneva: International Labour Organization. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_727346.pdf
9 Sri Lanka Bureau of Foreign Employment 2017a.
10 Sri Lanka Bureau of Foreign Employment 2017a.
11 International Labour Organization 2019.
12 International Labour Organization 2019.
13 International Labour Organization 2019.
14 Sri Lanka Bureau of Foreign Employment. 2017c. *Highlights*. http://www.slbfe.lk/file.php?FID=488
15 Sri Lanka Bureau of Foreign Employment 2017b.
16 Sri Lanka Bureau of Foreign Employment 2017b.
17 Sri Lanka Bureau of Foreign Employment 2017a.
18 Sri Lanka Bureau of Foreign Employment 2017a.
19 International Labour Organization. 2013. *Recruitment Practices of Employment Agencies Recruiting Migrant Workers.* A review aimed at improving recruitment regulations and drafting recruitment guidelines. Geneva: International Labour Organization. http://apmigration.ilo.org/resources/recruitment-practices-of-employment-agencies-recruiting-migrant-workers/at_download/file1
20 International Labour Organization 2013.

fee structure set previously.[21] Despite the amendment, the recruitment agencies continue to charge exorbitant fees from the migrant workers.[22] The recruitment cost of each migrant varies based on the job category, destination, work experience although without any specific details about the amount charged by the recruitment agencies are unknown.[23]

Wages of Sri Lankan workers in GCC and Malaysia

The SLBFE has set the minimum salary of semi-skilled and low-skilled migrant workers from Sri Lanka at USD 300.[24] The budget of 2017 increased the minimum wage of all skilled and low-skilled workers leaving the country after registering with the SLBFE to USD 450 and USD 350 respectively.[25]

Remittance to Sri Lanka

The foreign employment industry ranks as the second-largest source of foreign exchange in the Sri Lankan economy. The total private remittances in 2017 were 1,091,972 million rupees.[26] Migrant workers in the Middle East remitted 565,642 million (51.80 per cent). Migrant's remittances in Sri Lanka in 2018 was USD 7464 million, which represents an 8.1 per cent equivalent to the share of Gross Domestic Product (GDP) in 2018.[27] In 2016, the workers' remittances accounted for a sum of 1,091,972 million rupees, which was equivalent to 8.2 per cent of the country's GDP.[28]

Injuries and deaths of migrant workers

The deaths of 291 Sri Lankan migrant workers were reported during 2017.[29]

Compensation received by migrant workers

In 2017, the SLBFE utilised Rs 78.8 million of the insurance scheme and Workers' Welfare Fund for the repatriation of 1,966 migrant workers from the destination countries for various reasons.[30] Similarly, in 2017, SLBFE paid Rs 139.2 million to an insurance scheme to cover 212,470 migrant workers.[31]

There are several provisions of welfare activities for the migrant workers in Sri Lanka, which include:[32]

- The amount of return ticket and medical expenses up to Rs 25,000 (incurred post-arrival to Sri Lanka) during repatriation (due to harassment, illness, accident or injury after leaving employment and pregnancy as a result of sexual harassment by a sponsor or his family members). The heirs of deceased migrants get compensation worth Rs 400,000 (in case of deaths in the destination country). Similarly, the heirs receive compensation worth Rs 200,000

21 International Labour Organization 2013.
22 International Labour Organization 2013.
23 International Labour Organization 2019.
24 International Labour Organization. 2017. *Sri Lanka's Policy on Labour Migration: How far have we come?* International Labour Organization. http://www.oit.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_632485.pdf
25 Consulate General of Sri Lanka, United Arab Emirates. n.d. 'Minimum salary of migrant workers increased.' Accessed 15 December 2019. Consulate General of Sri Lanka, Dubai and Northern Emirates, United Arab Emirates. http://slcgdxb.com/minimum-salary-of-migrant-workers-increased/#
26 Sri Lanka Bureau of Foreign Employment 2017a.
27 World Bank. n.d. 'Migration and Remittances Data: Annual Remittances Data (updated as of Apr. 2019).' Accessed 20 December 2019. https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data
28 Sri Lanka Bureau of Foreign Employment 2017a.
29 Sri Lanka Bureau of Foreign Employment 2017c.
30 Sri Lanka Bureau of Foreign Employment 2017a.
31 Sri Lanka Bureau of Foreign Employment 2017a.
32 Sri Lanka Bureau of Foreign Employment. n.d. 'Welfare activities.' Accessed 20 December 2020. http://www.slbfe.lk/page.php?LID=1&MID=39

(including medical expense incurred in Sri Lanka) if the worker dies in Sri Lanka within three months of arrival due to critical illness or accident while working abroad during the contract period. Additionally, they will also get the amount of return ticket.

- Compensation amount of up to Rs 200,000 and return ticket in case of permanent disability and an amount of Rs 100,000 and return ticket in case of partial disability of migrants, both of which must have occurred while abroad.
- Loans at low interest rate during pre-departure for the Middle East (up to Rs 50,000), housing loan (up to Rs 300,000) and self-employment loan (up to 300,000)
- Scholarship for migrant workers' children (up to Rs 30,000).
- Housing project worth Rs 500,000 for permanently disabled migrant workers losing their earning capacity by over 65 per cent.
- Child protection and child day-care centre for the children of migrant workers.
- Distribution of school equipment for the children of migrant workers.
- Support for needy migrants, who are not entitled to claim under insurance schemes.

Status of informal and formal employment and the future of work

There are bilateral arrangements in place between Sri Lanka and various destination countries of labour migration. In 2008, Sri Lanka has signed an agreement for the regulation of Sri Lankan Manpower Employment in Qatar and a Memorandum of Understanding (MoU) with the Republic of Korea on sending of workers under the Employment Permit System.[33] Similarly, it has signed MoUs with Jordan (2006), the UAE (2007), Libya (2008), Bahrain (2008), Italy (2011), Seychelles (2012), and Oman (2012 and 2014).[34] Sri Lanka has also signed an MoU with Kuwait (2002), a Domestic Worker Agreement with Saudi Arabia in 2014 and model Bilateral Cooperation Agreements (signed between trade unions in Sri Lanka and trade unions in Bahrain, Jordan and Kuwait) in 2009 for the protection of the rights of migrant workers.[35]

Employment and workers

Economic growth rate in the country

The economic growth rate in Sri Lanka was 3.2 per cent in 2018 and 2.6 per cent in 2019.[36] The projected growth rate for 2020 is 2.2 per cent.[37]

Employment and unemployment

According to the Sri Lanka Labour Force Survey (SLFS) 2018, the labour force participation rate (population of 15 years and above) was 51.8 per cent, with 73 per cent for male and 33.6 per cent for females.[38] Similarly, the labour force participation rate was 49.6 in urban areas and 52.3 in rural areas.[39] The unemployment rate was 4.4 per cent, with 3 per cent for males and 7.1 per cent for females.[40] As

33 Panhuys, Clara van, Samia Kazi-Aoul, and Geneviève Binette. 2017. *Migrant access to social protection under Bilateral Labour Agreements: A review of 120 countries and nine bilateral arrangements.* Geneva: International Labour Organization. https://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=54405

34 Colombo Process. n.d. 'Member countries: Sri Lanka.' Accessed 20 December 2019. https://www.colomboprocess.org/about-the-colombo-process/members#sri-lanka|ChildVerticalTab_110

35 Wickramasekara, Piyasiri. 2018. *Good practices and provisions in multilateral and bilateral labour agreements and memoranda of understanding.* International Labour Organization. http://apmigration.ilo.org/resources/good-practices-and-provisions-in-multilateral-and-bilateral-labour-agreements-and-memoranda-of-understanding/at_download/file1

36 Asian Development Bank. n.d. 'Economic indicators for Sri Lanka.' Accessed 1 May 2020. https://www.adb.org/countries/sri-lanka/economy

37 Asian Development Bank n.d.

38 Department of Census and Statistics. 2018. *Sri Lanka Labour Force Survey: Annual Report - 2018.* Department of Census and Statistics, Ministry of Finance, Economy and Policy Development. http://www.statistics.gov.lk/samplesurvey/LFS_Annual%20Report%202018-f.pdf

39 Department of Census and Statistics 2018.

40 Department of Census and Statistics 2018.

per the quarterly report of SLFS, the labour force participation rate (population 15 years and above) in the fourth quarter of 2019 was 51.9, with 72.2 for males and 34.3 per cent for females), and the labour force participation rate in urban and rural areas was 49.4 per cent and 52.4 per cent respectively.[41]

Status of informal and formal employment and future of work in light of technological changes

The SLFS of 2018 shows that about 8 million people are employed in various occupations in Sri Lanka, of which 66.1 per cent are male.[42] The highest share of the employed people are engaged in the service sector (46.6 per cent), followed by industries (27.9) and agriculture (25.5 per cent).[43] The contribution of the informal sector in total employment is 58.7 per cent, with 62.5 per cent for males and 51.3 per cent for females. Agriculture accounts for 88 per cent of the informal sector.[44]

Working conditions in Sri Lanka

The minimum wage of the workers in Sri Lanka is Rs 10,000 per month.[45] According to the labour codes in Sri Lanka, the working hours should not exceed nine hours per day and 45 hours a week.[46] Those within the age group of 14 and 16 are refrained from working for more than nine hours, and those between 16 and 18 years should not be employed for more than 10 hours a day.[47] Similarly, female employees cannot be employed before 6 am or after 8 pm.[48] There are provisions of annual leave (up to 14 days) and casual leave (up to seven days), in addition to national holidays and *poya* holidays.[49] The employees are covered by the provident fund, where contributions are made by both the employers (12 per cent) and employees (8 per cent).[50] Female employees are entitled to paid maternity leave of 12 weeks (during the birth of first two children) and six weeks (for subsequent births).[51]

There is also a provision of the Employees' Trust Fund for the employees, which provide various services and benefits to the employees, including life insurance benefits scheme (where the heirs of the deceased member receive a maximum of Rs 100,000 or 15 times the average of the last salary); treatment for diseases like cancer, tuberculosis, liver failure, renal diseases and septicaemia; permanent disability insurance scheme; financial assistance for heart surgeries (up to Rs 150,000); reimbursement of fees for intra-ocular lens (up to Rs 9,000 for each eye); hospitalisation medical scheme (up to Rs 25,000 in a year and a maximum of 50,000 during the employment period); financial assistance for kidney transplant surgeries (up to Rs 150,000); scholarship scheme for children; and housing loan scheme which provides housing loans at concessionary rates of interest.[52]

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41 Department of Census and Statistics. 2019. *Sri Lanka Labour Force Survey: Quarterly Report – 2019, Fourth Quarter.* Department of Census and Statistics, Ministry of Finance, Economy and Policy Development. http://www.statistics.gov.lk/samplesurvey/2019Q4report.pdf

42 Department of Census and Statistics 2018.

43 Department of Census and Statistics 2018.

44 Department of Census and Statistics 2018.

45 Central Bank of Sri Lanka. 2018. *Annual Report 2018: Chapter 4 - Prices, Wages, Employment and Productivity.* Central Bank of Sri Lanka. https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports/annual-report-2018

46 Amerasinghe, Franklyn. 2009. *The Current Status and Evolution of Industrial Relations in Sri Lanka* (Working Paper). Geneva: International Labor Organization. Retrieved from https://www.ilo.org/newdelhi/whatwedo/publications/WCMS_123323/lang--en/index.htm

47 Amerasinghe 2009.

48 Amerasinghe 2009.

49 Neelakandan & Neelakandan n.d.

50 Amerasinghe 2009.

51 Neelakandan & Neelakandan. n.d. 'Labour Laws.' Accessed 10 February 2020. http://www.neelakandan.lk/Compendium%20of%20Law/Labour%20Laws.php

52 Employees' Trust Fund Board. n.d. 'Non Statutory Benefits.' Accessed 20 December 2019. http://www.etfb.lk/sub_pgs/ben_nonstatutory.html

Ratification of ILO Conventions

Sri Lanka has ratified 43 International Labour Organization (ILO) Conventions, including all eight Fundamental Conventions, three Governance Conventions and 32 Technical Conventions.[53] In addition to the Fundamental Conventions, some of the major ratifications for Sri Lanka include the Labour Inspection Convention, 1947 (C081); the Employment Policy Convention, 1964 (C122); the Tripartite Consultation (International Labour Standards) Convention, 1976 (C144); the Protection of Wages Convention, 1949 (C095); the Minimum Wage Fixing Convention, 1970 (C131); and the Workers' Representatives Convention, 1971 (C135), among others.[54]

53 International Labour Organization. n.d. 'Ratification for Sri Lanka.' Accessed 20 December 2019. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:103172

54 International Labour Organization n.d.

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South Asian Regional Trade Union Council (SATUC)
Secretariat:
P.O. Box 3613, Stone House, Sarshmarg, Kathmandu
Nepal
Phone +977-1-4469954
Fax +977-1-4469959
sartuc.kathmanduoffice@gmail.com . http://www.sartuc.org