



Impact of Worker's Remittances on Household Income and Welfare in Sri Lanka

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This master's thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

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Abstract

According to Economic and Social Statistic of Sri Lanka report in 2013, (p.21) the foreign employment was recorded as 23.8% of total labour force in the 2010. The total remittances income from abroad has risen steadily over the last years. As per the report, the remittances from Middle East countries were SLRS (Mn) 428,593 and it was SLRS (Mn) 335,387 from all other countries in 2012. Sri Lanka is struggling to strike a balance between maximizing the development benefits of migration while protecting migrant workers and their families from the adverse impacts of migration. While Sri Lankan government currently faces some challenges on economic development, other hand remittances have become as the second largest income source of foreign exchange. Migration also affects negatively on the social life style of migrants families and well as education & health of their children. Brain drain is other negative impact (Economic and Social Statistic of Sri Lanka report 2013).

This study is based on the findings of a filed survey of 150 purposive samples of Migrant Workers. The primary data was collected from the migrant itself and in case of unavailability of migrant worker, the information were collected from one of the family member of household. This survey has been carried out aiming two districts in Sri Lanka (Kalutara and Colombo) where a major number of migrants are departing for foreign jobs on yearly basis. It was aimed to investigate the impact of worker's remittances for household income and welfare. In particular, the study shall also examine how such remittances have been able to contribute their income in varies activities. In addition, I also investigate the effects of remittances on human capital formation at the household level.

As per the findings, majority of the respondents have increased their family income and well-being in migrant worker and their families. There are some positive and negative effect on children's' education and health. This study mainly focuses to investigate how migrant worker distribute their income in various ways. In addition this thesis discusses some basic information regarding migration and remittances. Further, it shall be briefly described on the history & services of SLBFE and sustainable development by remittances.

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Declaration by candidate

I, Urumutta Gamage Sandya Priyadarshani , hereby declare that the thesis: Impact of worker's remittances on household income and welfare in Sri Lanka, has not been submitted to any other universities than Agder University College for any type of academic degree



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Chapter 1: Introduction

1.1 Brief Introduction

Worker's remittances have been increasing as an important part of the financial landscape of many developing countries like Sri Lanka. By 2011, Gross workers' remittances increased notably by 25 per cent to US dollars 5.1 billion, from US dollars 4.1 billion in 2010 (Central Bank Report, 2011, 12). Remittances as a ratio of GDP rose from 5.0 percent in 1990 to 7.2 percent in 2008 (Central Bank Report, 2009). These suggest that migrants' remittances are an important part of the Sri Lankan economy and particular to the local households. During the last decade, workers' remittances among developing countries more than doubled and especially this was largely due to the increase in the number of workers migrated to OECD (Organization for Economic Co-operation and Development) countries and Middle East. Worker remittances are the Sri Lanka's second largest source of foreign exchange, which is only seconding to garment exports. On a net basis, remittances become the largest source of foreign income, overtaking garment industry which incurs foreign exchange payments for imported raw materials and outflows of profits and dividends (Central Bank Report, 2011, p:5). Total number of departures for foreign employment has increased by 8% from 247,126 in 2009 to 266,445 in 2010. (Male: 135,502 Female: 130,943) Most of females who departed for year 2010 were housemaids comprising 86% of total female migrant workers (SLBFE Report, 2010).

Remittances have affected Sri Lankan economy in many ways. Remittances on the one hand have contributed to reduce the unemployment rate of the country and have also increased wages of skilled and unskilled workers. Remittances have contributed to providing better education and health opportunities to household members. In this way remittances have a positive influence on Sri Lankan households, improving the living standard of the recipient households. Remittances have also provided significance support to reduce the current account deficits of the balance of payments, increased the investment rate in the country and brought about some macro-economic stability. Migrant worker remittances have been a useful source of income to many Sri Lankans, particularly in times of economic shocks. In addition,

when we are comparing other foreign exchange sources such as foreign borrowings and foreign direct investment remittances have several favourable characteristics. A major advantage of remittances is that they do not become a liability to the receiving country because they are unrequited transfers from abroad (The Nation, 1st April 2012).

Remittances play an important role in financing the households on the local level. It has been an important flow of income especially for poorer households to get rid of poverty. In many cases, remittances have also shown to push households out of poverty. Even though there are advantages of remittances, one can argue that remittances can have negative impacts on the socio-economic welfare of the household. This is to a large extent dependent on the characteristics of individual migrant. One migrant can save more and invest efficiently while another migrant losing his income due to addiction to drugs and alcohol (IPS in Sri Lanka, 2010).

1.2 Research Questions and Objectives

1.2.1 Main Objective

The main objective of this study is to investigate the impact of worker's remittances for household income and welfare.

As sub objectives, the study will also examine how such remittances have been able to contribute their income in varies activities. I also investigate the effects of remittances on human capital formation at the household level.

1.2.2 Research Questions

1. What are the migrant occupation and destinations?
2. What are the scope and origin of getting migrating in Sri Lanka?
3. How households use remittance income?
4. To which extent have remittances increases household income level?
5. How important are migrant remittances in alleviating poverty in household?

6. How do remittances affect household consumption patterns?

1.4 Motivation for the Topic

I have chosen workers' remittances and poverty in households as my topic in this study because remittances are playing a most important role in the Sri Lankan economy both at the national, local level and household level. According to the Central Bank Report 2011, workers' remittances reached US dollars 5.1 billion in 2011(Central Bank Report 2011). *“Workers’ remittances, which constitute a greater share of private transfers, continued to be the foremost foreign exchange earner in 2011, surpassing the export earnings from textiles and garments for the third consecutive year”* (Central Bank Report, 2011:12). Both households and Sri Lankan economy depend heavily on the money which is sent by migrants who are working overseas.

There are number of reasons for selecting this topic for this study. The government and SLBFE are empowering the people to migrate for foreign jobs by finding out jobs and providing life insurances...etc. But, no feedback has been collected by the government/SLBFE after the workers return back at the end of the service. It could be noticed that a number of researchers have found out that remittances have a strong effect on economic growth. But there were limited researches regarding household welfare. That is the basic reason for drawing my attention on this subject. I hope to submit this report and data for policy makers in order to make new policies to find out whether remittances are investing their earned money in a productive way.

Further I have completed a research regarding “Migration Remittances and Sri Lanka Bureau of Foreign Employment” during the studies for my first degree’s dissertation [Bachelor of Arts in Economics]. Therefore, I took the opportunity to continue and develop the previous study in depth and improving the number of objectives and method of data survey. In addition to the above reasons, I got a chance to meet different kind of migration workers when I was living in Qatar. At that time I wanted to know that about their families’ income and expenditures and also whether they had an idea of how to spend their income in productive manner.

Further, I could notice their difficulties, financial issues and how difficult to earn money is. But I could notice that some of them have invested their money in a productive way while others just spent the income in un-productive ways. All the above situations and my personal experience motivated me to select the above topic for this research.

1.5 Structure of the thesis

This study builds upon qualitative and quantitative research on Sri Lanka migrants and the remittances they send back. The primary data was collected from a sample of 150 households which are depending on remittances. The households live in Kalutara and Colombo divisional secretariats. In addition to primary data, different types of secondary data were collected to support the theoretical foundation of this study as well as to compare my findings with the finding of previously conducted studies.

The study is presented in of six chapters. A brief introduction is given in the first chapter by making the foundation for subject area of this research. In addition to that, research objectives and aims are briefly explained. Second chapter is reserved for detailing the research area/context as well as background of the areas which were selected to this study. A comprehensive report of literature survey is given in Chapter 3. This includes the explanation of theoretical frameworks; previous studies on the similar subject, definitions...etc. Further, behaviour and economically importance of remittance is explained in literate review. In Chapter 4 the methodology which was applied in this study is discussed. The fifth chapter is reserved for analyzing the findings. This includes the presenting of primary data in terms of graphs/table as well as data analyzing model. Finally the Conclusion is given in the last chapter.

Chapter 2: Research Area and Context / background of study Area

2.1 Country Profile of Sri Lanka

2.1.1 History

Sri Lanka has encountered three colonial periods in the past. The first colonial period commenced in 1505 when the Portuguese came. It ended in 1760 when Dutch arrived Sri Lanka. The second colonial period under the Dutch lasted from 1760 - 1815. During the above two colonial periods, there was certain level of agreements between Sri Lanka's King and ruling country's agents; and King was still ruling some parts of the country. Therefore, the socio economic impacts were less compared to the last colonial period. The last colonial period of Sri Lanka commenced when the British toppled Sri Lanka's last King (Sri Wickrama Rajasinghe) in 1815. The ruling power was then totally in British hands. Since then, Sri Lanka has undergone quite distinctive social and economic changes.

2.1.2 General Information of Sri Lanka

Sri Lanka has two main traditional cultures. Sinhalese are the majority and centered in the ancient cities such as Kandy and Anuradapura. Meanwhile Tamils are centered around the ancient city of Jaffna. In July 2013 the population of Sri Lanka was 21,645,648 and the inhabited land area was 65,610 square km. Colombo has become the biggest urban area. Other upcoming urban cities are Jaffna, Hambanthota, Galle, Matara, and Kandy...etc. The people of Sri Lanka belong to basically to four religions Where the majority of Sri Lankans are Theravada Buddhists, accounting for 69.1 percent. Hindus, Muslims and Christians are respectively accounting for 7.1 percent, 7.6 percent and 6.2 percent (Alli, 2009).

Sri Lanka is an island which is located in the Indian Ocean; just below the India. The country is rich in many kinds of natural resources such as limestone, graphite, mineral sands, gems, phosphates, clay as well as hydropower. Tea manufacturing has been one of the main industries in Sri Lanka since colonial time. The central highlands of the country with low temperatures and adequate levels of rainfall and

humidity throughout the year are very suitable for growing tea. Therefore, the best tea can be found from those areas such as Badulla, Nuwara Eliya, Walimada...etc.

In addition to the tea industry, tourism is the second largest industrial sector of Sri Lanka. There are many historical sites and places of naturally beauty in the country available for visiting purpose. Specially, beaches in the southern and eastern areas are very attractive for visitors. Garment industry can be pointed out as the third income earning sector in Sri Lanka. Sri Lanka manufactures readymade garments for local usage as well as for export. Moreover the, country produces rice, coconut and grain, largely for domestic consumption but occasionally also for export.

Considering the education and employment status of Sri Lanka, the country has made important gains in the education sector, reaching near universal literacy and primary school enrolment rates. Further Sri Lanka is maintaining a high Human Development Index with a high literacy rate. Sri Lanka has become the country with the highest Human Development and literacy rate, in the South Asian Region (Human Development Report, 2012)

2.1.3 Economic growth factors

In 2012 the Sri Lankan economy generated a 6.4 percent annual growth. It aims to achieve GDP growth of 8 percent or more (above), and to double Sri Lanka's per capita income to US\$4,000 by 2016 (Weerakoon, 2013). The development strategy of the Government is focusing mainly on the development of the maritime, energy, aviation, education, tourism, agriculture, sectors, and on rural development and export industries not allowing them to suffer from short term adjustment effects. The gross investment /GDP ratio exceeded 30 percent in 2012, after remaining at low levels for three decades. The country's per capita income reached near US\$ 3,000 level in 2012, underscoring sustained positive movements in the per capita growth since 2005 when, the per capita income was US\$ 1,200 (Weerakoon, 2013)

The overall poverty level has been reduced from 15.2 percent in 2006 and 2007 to 6.5 percent in 2012. With continued economic expansion, the unemployment rate was

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reduced to 4.0 percent in 2012. The monetary policy was able to curtail the growth in money and credit expansion and contain the annual inflation at around 8 percent. (Ministry of Finance and Planning, Sri Lanka, Annual Report, 2012)

Infrastructure financing is expensive. Sri Lanka has opted to rely on costly foreign borrowing, from both international financial markets and bilateral partners, especially China. The improved business climate, fiscal incentives, new infrastructure facilities, improved access to finance and relaxation of capital account transactions, will help to increase export oriented investments. Public private partnership is very important for infrastructure development (Weerakoon, 2013).

Expenses on education and health has increased to Rs. 235 billion in 2012 from Rs.108 billion in 2005, accounting to around 22 percent of Government revenue in 2012. The improvements shown in the United Nations HDR Index to 0.7 in 2012, and the earning capacity of the work force in newly emerging sectors of the economy and the large number of overseas employees that generated around US\$ 6,000 million in 2012, in comparison to US\$ 1,918 million in 2005, signify the benefits derived through improved HRD in the country. An unfortunate development is that the- best qualified doctors and nurses are moving to the developed countries such as UK, USA, and Australia for work. Privatization of health care has also been problematic, with a specific impact on equity in access to health services.

Poverty reduction is a main target among the Millennium Development Goals. Sri Lanka's government has implemented a rural livelihood development strategy that embraces households (Divi Neguma/ Samurdhi), and providing welfare benefits and promoting community empowerment (Gama Neguma) through the development of much needed infrastructure such as access roads, rural electricity, community water and sanitation, minor irrigation systems and market centers.

The number of people living below the poverty line has been reduced from 15.2 percent in 2006/07 to 8.9 percent in 2009/10 and has further declined to 6.5 percent in 2012. According to the Gini Coefficient between 2006 and 2012 the level of inequality was reduced from 0.4 to 0.36 (preliminary results of HIES 2012/13).

The development and poverty reduction initiatives that have been implemented have helped the country to perform equally well with regard to the Multi-dimensional Poverty Index (MPI). The multi-dimensionally poor in Sri Lanka comprise 1.9 percent of the population (preliminary results of Household and Income Expenditure Survey (HIES) 2012/13), Sri Lanka has performed better than many other countries in relation to child mortality, nutrition, schooling, access to safe drinking water, sanitation, cooking fuel, and housing and assets, indicating the effectiveness of the Government's poverty reduction strategy by effectively reaching targeted poverty segments in the society (Ministry of Finance and Planning, Sri Lanka, Annual Report, 2012).

2.2 My Study Area

2.2.1 General background

Colombo divisional secretariat and Kalutara divisional secretariat in Sri Lanka will be the study area for this research. Those were selected because the majority of recruitments for foreign employment was reported from Colombo district according to the Sri Lanka Bureau of Foreign Employment report in 2010 (SLBFE). It was 31,458 in year 2010 and it was increased by 2.96% over year 2009 (SLBFE Report 2010). Kalutara is also highlighted as one of the potential developing district in terms of skilled migration.

2.2.2 History of Colombo and Kalutara districts

Colombo was one of the main cities which were developed by colonial rulers in Sri Lanka. It was developed under the Portuguese from 1505 to 1656, by the Dutch from 1506 to 1796 and finally by British from 1796 to 1948. The main reason for making select Colombo the main commercial town is due to its natural location as a harbour. While developing the city, the colonial rulers paid most attention to develop the Colombo port and its related functions to facilitate trade and business. In order to reduce the down time in transportation, they built a canal network and rail and road

network to connect Colombo with the central part of the Sri Lanka where the majority of the tea plantations were situated.

Kalutara district also has long history. "Kalu Thiththa" was the historical name for the present Kalutara. It means the Sea port on the beach where Kalu Ganga (River Black) enters the sea. The seafarers used this port to land their ships during their trading voyages. The city's history goes back to the 11th century when a South Indian Prince called Vickramapandya became the ruler of Kalu Thiththa as the powerful Pandyan dynasty invaded the island. Kalu Thiththa became Kaluthota and later Kalutara in the historical evolution of names for easy usage (ADPC 2008).

2.2.3 Geographical location, Population and Density

Colombo district is the smallest district in Sri Lanka with an area of 642 km². It is located in the Western province. Geographically, Colombo district is mix of land and water. The Northern and North-Eastern border of the city is formed by the Kalani River. The city's climate is fairly temperate all throughout the year. Both the commercial capital and political capital of Sri Lanka are located in this district. Therefore it is the largest city and the commercial, industrial and cultural capital of Sri Lanka.

Kalutara District is located in the south west of Sri Lanka and has an area of 1,598 square kilometres (617 sq mi). It is third largest city in western province after Colombo and Nigombo Kalutara District is divided into 14 Divisional Secretary's Division (DS Divisions), each headed by a Divisional Secretary (previously known as an Assistant Government Agent). The DS Divisions are further sub-divided into 762 Grama Niladhari Divisions (GN Divisions) (Kalutara Divisional Secretary office, 2013)

According to the Department of Census and Statistics (2011), the highest population density in Sri Lanka was recorded from Colombo North. Colombo North is a very low income residential area where the majority of the male are working in general labour categories. Compared to the Northern area, the southern area of Colombo

represents a low-density distribution of population. As an average, the population density of Colombo district is 172 persons per hectare or 17,200 per sq.km.

In Kalutara, 86% of the population of 1,060,800 (2001) is rural, 10.7% urban and 3.3% estate. The population density ranges from 20 to 40 persons per hectare. The ethnic composition of the district is 87% Sinhalese, 4% Tamil and 9% Muslim and others. The literacy rate of the population aged 10 years and above is 92.8% (male 93.4%, female 92.3%) (UNISEF 2007).

Colombo is both multi-ethnic and multi-cultural. The population of Colombo is a mix of various ethnic groups, mainly Sinhalese, Sri Lankan Moors, and Tamils. In addition to that, there are also small communities of people with Chinese, Portuguese, Dutch, Malay, and Indian origins living in the city, as well as numerous European expatriates.

2.2.4 Economy

The great majority of Sri Lankan corporations have their head offices in Colombo. These industries include chemicals, textiles, glass, cement; leather goods, furniture, and jewellery. The Metropolitan Colombo is one of the main incomes to the country. Considering the per capita income, Colombo is making great contribution of GDP in Sri Lankan economy as most prosperous regions in South Asia (Country profile, 2010). The average gross domestic production of Colombo Metropolitan is \$35 Billion dollars. This is the core of the Sri Lankan economy. According to this figures, Colombo Metro can be considered as one of the most prosperous regions in South Asia. A major share of the country's manufacturing industry which aims at the export market is placed in the Colombo Metropolitan area. More than 50% to the GDP of Sri Lanka is produced by The Western province. Even though the geographical area of western province, where Colombo is situated is only 5.7% of the country's total geographical area, it contributes with about 80% of industrial value to the country. The Government of Sri Lanka has launched several types of development programs to uplift the condition of Colombo city to an international

standard, considering the Colombo metropolitan as the main economic driver of the county.

In Kalutara district the main source of income for the people is agriculture. Today, large part of Kalutara is neatly planted with rubber trees that stand in clean and formal rows with their silvery trunks and high canopy (ADPC 2008). In addition paddy cultivation is practiced, but the yield is extremely poor. Back in history it was the spice trade that brought first Portuguese, then the Dutch and finally British to the area. They built fortresses to guard the river entrance to the interior, where the spices particularly cinnamon grew. The British initiated the next change of the landscape of Kalutara by introducing rubber seeds smuggled out of Brazil in bails of cotton (ADPC 2008).

2.2.4 Infrastructures

Colombo already has most of the facilities that a modern city should have. Colombo has developed the highest level of infrastructure, compared to other parts of the country. Almost 100% of the Colombo city areas are equipped with Electricity, drinking & portable water, transport facilities, street lamps, phone booths, and botanical gardens ... etc. All these facilities are in considerably good standard, meeting the required standard of quality as wells as safety. Electricity and water lines are laid underground. The majority of the shopping malls of Sri Lanka are located in the city limits of Colombo. Almost all of those shopping malls are facilitated with modern utility facilities such Wi-Fi connections, luxury environments, comfortable vehicle parking spaces...etc. Apart from that, there are many luxurious hotels, clubs and restaurants in the city for enjoyment and entertaining purposes. Most of the buildings which are located in Colombo are high due to the huge price of commercial lands and limited availability of lands.

Kalutara is a junction town located on Colombo - Galle highway, endowed with an internal road network, which provides good accessibility to the hinterland areas. The coastal railway line has further improved its accessibility. The line supported economic and social development of the town.

2.2.5 Education

There is a long history for educational institutions in Colombo. Many of the prominent public schools of the country are located within the limits of the city. The schools have been established all the way since 1800s during the British colonial period by different governors. In addition to public schools, there are a few private sector international schools delivering programmes in the English curriculum. The students studying in these schools sit for Edexcel and Cambridge examinations and thousands of students from International schools are studying in the USA, UK, Australia and Canada for their higher studies.

Compared to Colombo the Kalutara district education institutions are much less. Both government national schools and private international schools give education but there are no government universities. Most of students travel to Colombo for private tuition classes.

Chapter 3: Literature review and Theoretical framework

3.1 Migration

3.1.1 Definition of Migration

According to the International Organization for Migration (IOM), migration is defined as “The movement of a person or a group of persons, either across an international border, or within a State. It is a population movement, encompassing any kind of movement of people, whatever its length, composition and causes; it includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification” (IOM 2011).

3.1.2 History of Migration

Considering the status of labour force history, Sri Lankan employees have been engaged in international migration from colonial period itself. Migration from Sri Lanka emigration started in late 1970s as a result of oil boom in the Gulf countries demanding for less skilled labours in construction accelerated in the Middle-East countries. This trend was supplemented by the hiring of female housemaids to the same Gulf countries and as a result, foreign employment remittances were becoming one of the major incomes in Sri Lanka economy (Colombage, 2010, p.8). Gunathilleke (1998), and Rathnayake (1999), have recognized four distinct labour migration flows from Sri Lanka.

The first flow occurred during the colonial period at the beginning of twentieth century. During this period, some Sri Lankan Tamils migrated to Malaysia. The second flow started after independence when Sri Lankan migrated to Singapore and Hong Kong. The third flow had begun in 1960s when academically and professionally qualified persons migrated to Canada, Australia and United Kingdom and at a less extent also to New Zealand and United States (Rathnayake 1999, Gunathilake 1998). Finally, the latest flow of migration (fourth flow) started from the mid 1970s and is still ongoing. In this stage, the majority of the migrants are going for work in the Middle East countries. Even if staying for years, they were

always treated as temporary resident permit holders and never awarded permanent citizenship. These migrations are job oriented and have to go back to Sri Lanka at the end of their contract periods (Rathnayake 1999).

There are many differences regarding level of skill and education of the immigrants among these flows of migrations. During the period of 1960s and before, people who migrated to Singapore, Hong Kong and Malaysia were less skilled and many of them migrated as plantation workers. At the same time professionally qualified persons migrated to Australia, New Zealand, United Kingdom and Canada with their families (Rathnayake 1999). Since 1970s people who migrated to Middle East countries and Newly Industrialized Countries (NIC) countries were looking for basic employment opportunities. Most of them were semi skilled or unskilled labourers, and they migrated as individuals and they depended on contract base agreements. They could stay in countries only during the agreed work period and their family members were in general not allowed to stay with them. The ethnic conflict situation has had an affect to increase the total amount of migrants.

3.2 Migration Destination and Occupation

3.2.1 Migration Destination

With the liberalization of the economy in the late 1970's, most of the workers migrate to oil-rich Middle East countries. This can be observed regarding the increment of income level and living pattern of the immigrants' family members. Therefore, people were encouraged to go abroad and earn money to increase the comfort of the family members. As a result, the total number of migrants for foreign employment to the Middle East countries increased each year. Simultaneously, there was an increasing demand for semi/un skilled labor among the Middle East countries due to the increment of those countries' development based on the petro-chemical industry (SLBFE 2011 p ii). Further The immigrants' choice of destination is mainly influenced by the access to the job market, the wage structure and the nature of the job (Arif, 2009).

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In the late 1970s, the development in foreign employment sector was well noticed by the government of Sri Lanka. It was observed that the amount of remittances gradually increased; hence the government engaged actively in legalizing the foreign employment sector as one of the country's foreign income earners (SLBFE 2011 p i).

As a consequence, the Sri Lankan government established a Foreign Employment Bureau to activate the policies for promoting foreign employment. The government also established institutional facilities by setting up branches of the bureau at the provisional level, resulting in a dramatic increase in the level of migration (SLBFE 2011 p ii).

As pointed out by SLBFE's new report in 2011, foreign employment opportunities have significantly increased in Saudi Arabia, Kuwait, Oman, Qatar, Jordan, Lebanon, Bahrain, U.A.E. The report shows that in 2011, the highest Sri Lankan numbers of departure was to Saudi Arabia followed by Qatar and then Kuwait. The number of departures for Saudi Arabia, Qatar and Kuwait was 68637, 52553, 50 657 respectively (SLBFE, 2010, p. 17). According to a Central Bank Report (2013) 84.3 percent of migrant workers in 2012, went to Middle East countries, mainly Saudi Arabia, U.A.E., Qatar and Kuwait. This number was 80.3 percent in 2011. Moreover the report (2013) says that the departures to Saudi Arabia amounted to 97,398, an increase of 42.1 per cent since 2011. Departures to the other countries recorded a decrease. Saudi Arabia has continued as the major job market for Sri Lankan migrant workers - among the Middle East countries. Due to financial crisis, the number of Sri Lankans migrants to Malaysia, Singapore and Thailand have fallen drastically (Central Bank Report of Sri Lanka 2013).

In addition to the Middle East, Sri Lankan workers have migrated to Asian, Europe and Far Eastern countries for employment opportunities (Castles and Miller 2009). According to registration at SLBFE these numbers are much smaller Middle East migrants. Most of the migrants to the above mentioned countries are arranged through family organised processes. This is one of the main reasons why they have not been recorded at SLBFE. While all unskilled workers, housemaids, and semi-skilled workers have to register with SLBFE. Professional, middle level and other

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skilled categories may still seek job opportunities direct and migrate under the general immigration laws of the country while not registering with SLBFE (Migration Profile 2013, p. 67).

Province/ District	Number of Departures					
	2006	2007	2008	2009	2010	2011
Western						
Colombo	26,005	27,953	30,073	30,555	31,595	30,993
Gampaha	17,936	19,560	21,310	23,589	25,495	24,003
Kaluthara	10,100	10,468	11,345	13,209	13,397	12,590
Central North						
Kandy	14,466	16,227	18,943	20,734	25,201	21,435
Matale	5,141	5,814	6,359	6,623	6,787	6,126
Nuwara Eliya	3,529	4,176	4,461	4,512	4,022	4,592
Southern						
Galle	10,083	10,192	10,538	12,045	12,882	12,438
Matara	4,603	5,276	5,420	5,624	6,034	5,544
Hambantota	3,242	3,690	3,946	3,816	4,803	4,284
Northern						
Jaffana	2,649	3,985	4,162	3,009	4,286	4,008
Mannar	658	924	640	472	637	623
Kilinochchi			3	3		224
Vauniya	1,250	1,987	1,424	1,300	1,487	1,362
Mullaitivu	102	170	174	159	139	172
Eastern						
Batticaloa	8,626	10,224	11,021	11,764	14,708	16,163
Ampara	8,412	9,952	9,632	11,402	13,100	14,966
Trincomalee	4,390	4,645	5,012	5,789	7,043	7,871
North Western						
Kurunegala	27,504	21,482	22,614	23,556	21,858	24,452
Puttalam	9,807	11,053	11,883	13,196	14,402	13,268
Central North						
Anuradhapura	11,711	11,651	11,160	11,088	12,489	11,850
Polonnaruwa	4,763	4,962	4,725	5,083	5,970	5,672
Uva						
Badulla	5,749	6,555	7,082	6,806	6,816	6,291
Monaragala	1,555	1,692	1,941	2,068	2,136	1,768
Sabaragamuwa						
Rathnapura	5,765	6,024	6,586	7,611	7,635	7,480
Kegalle	9,860	9,802	9,883	11,340	11,153	10,284
Not indicated	4,042	9,995	30,162	11,773	13,432	14,501
Total	201,948	218,459	250,499	247,126	267,507	262,960

Source : SLBFE 2011

Table 1: Number of departures for Foreign Employment by District & Provinces Level

When we consider the professional level of employments at district level, Colombo is the district with the highest number of professionally qualified workers migrating for foreign jobs during the period from 2006 to 2011. Kurunagla, Gampaha, Kandy, Batticaloa, Ampara, Puttalam, Kalutara, Galle, Anuradapura and Kegalle districts also belong to the higher departures district in 2011. Meanwhile, Northern and Eastern province have reported low amount of professional departures, especially in Mannar, Vavuniya, Mullaitivu and Killinochchi districts (SLBFE, 2011, p.44). The ethnic conflict and low income level in these districts are the main reasons for the low number of departures from these districts. In addition, they have used unofficial channels for going abroad, and has therefore not been officially recorded (Colombage 2010).

3.2.2 Migration Occupation

Most of Sri Lankan labours have migrated as unskilled labour. Middle Eastern countries however, are also suffering from shortage on skilled labour. There is a high demand for skilled labours and they are paid comparatively higher salaries. Unfortunately, Sri Lankan labour market still fails to export skilled labours to satisfy the demand from Middle East countries. According to the report from Central Bank of Sri Lanka (2012) the highest number of placements for overseas employment was in the category of housemaids (10,735). Their relative share in total departures increased to 42.3 per cent in 2012 from 40.9 per cent in 2011. These women's belong to the age group of 25-39 years. Most of them are married and have children. During the last few years, female departures for foreign employment have slowed down as a result of an availability of better job opportunities in Sri Lanka as well as the decision by the government to discourage the migration of mothers' who have children under the age of 5 years (IOM 2008).

The housemaid category was still the highest migrant category by 2011, but it belongs to the lowest category group in terms of income level. Regarding male departures for foreign employment, most of them belong to the category of unskilled labour. The level of recruitment of male professional still shows the lowest

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contribution to the foreign labour market. However, in the 2011 the level of professional male recruitment increased by 23.4 percent (SLBFE, 2011, p.11).

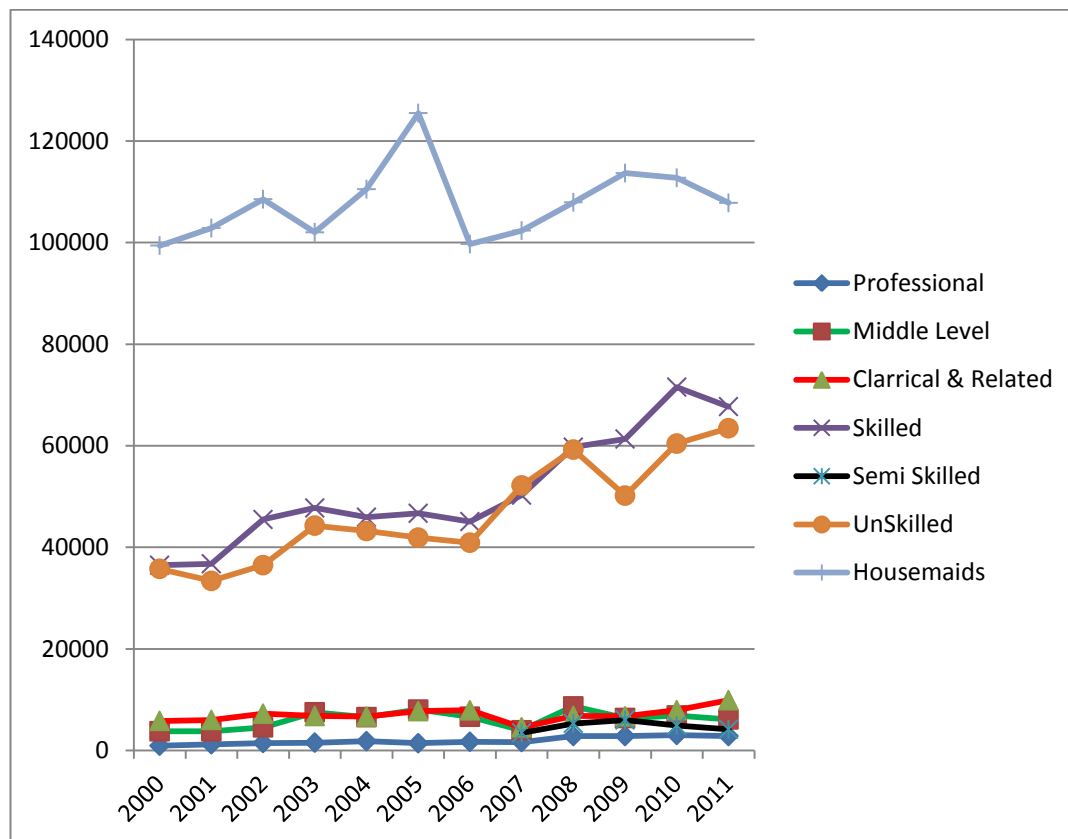


Figure 1: Graphical view of Number of departures in Skilled Level from 2000 – 2011

Source: SLBFE (2011)

Year	Professional Level	Middle Level	Clarrical & Related	Skilled	Semi-Skilled	Unskilled	House maids
2000	935	3781	5825	36475		35759	99413
2001	1218	3776	6015	36763		33385	102850
2002	1481	4555	7239	45478		36485	108535
2003	1541	7507	6779	47744		44264	102011
2004	1827	6561	6679	45926		43204	110512
2005	1421	8042	7742	46688		41904	125493
2006	1713	6638	7911	45063		40912	99711
2007	1653	3962	4551	50263	3499	52176	102355
2008	2835	8667	6791	59718	5326	59239	107923
2009	2832	6388	6719	61321	6015	50173	113678
2010	3057	6884	7923	71537	4932	60422	112752
2011	2835	6106	9888	67703	4169	63443	107816

Table 2: Number of departures according to level of skill from 2000 – 2011, Tabulated data

As per above table (Table 2), it can be noticed the total departures for foreign employment is consist with various categories. It shows that the percentage of departures for professional level, middle level, clerical level and related work were less through these years. Housemaids are the largest category all over the years. Further, it can be seen that total number of departures has been increased in each year.

3.2.3 Female Migration

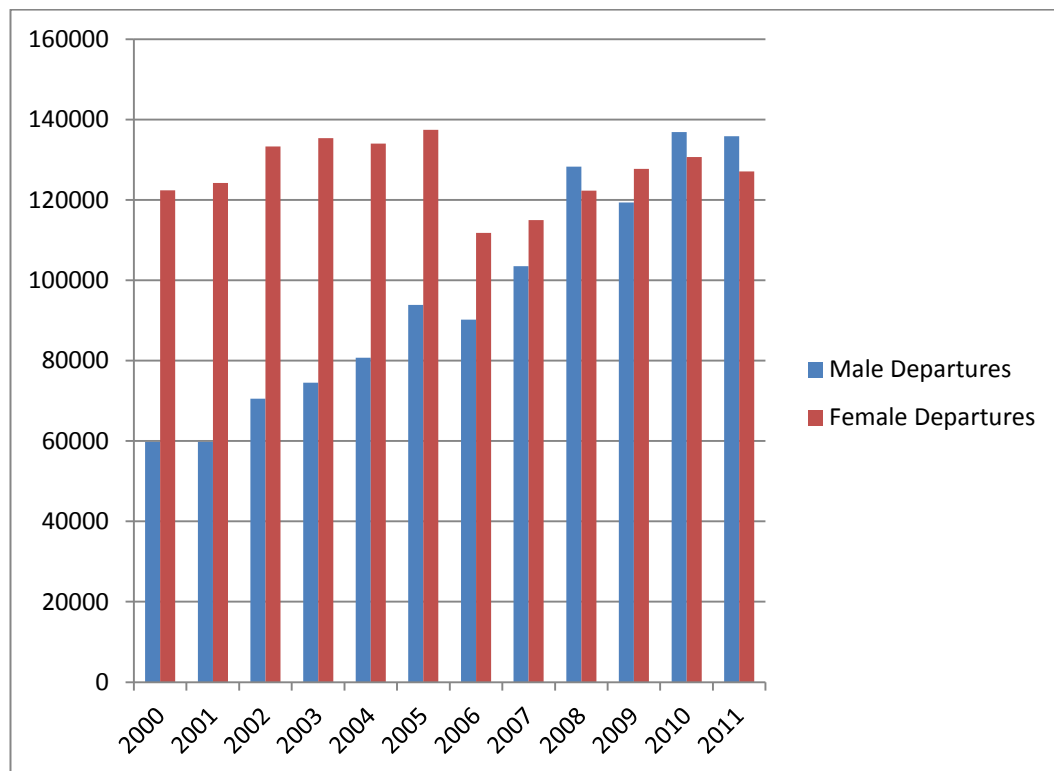


Figure 2: Number of migrant departures of males and females from 2000 to 2011

Source: SLBFE (2011)

Concerning the gender of migrants, female workers were the majority during 1988 – 2008. By the time of 1997, female migrant workers comprised 75.01% of the total migrant working force. This situation has changed after 2008 making when the percentage of female workers became less than male workers, but in 2009, again female workers were the majority. However, in 2010 it has again changed, and the highest number of departures was male workers. It was increased by 135, 502 (SLBFE, 2010, p.6). Figure 2 shows the distribution of migrants by gender level.

Sri Lanka is one of the countries with the highest number of female migrants after the Philippines and Indonesia. Most of the female migrants work as housemaids. Another important fact compared to other Asian countries is that most of them have selected the Gulf countries as their major destination.

Regarding age, according to the SLBFE reports, most of migrant workers belong to the age group of 25-29 years with the lowest rate of migrants being from 19 years and below. The majority of migrants, belonging to the professional level belonged to the age group of 25-34 years.

There is still there a huge gap between the international demand for the jobs and Sri Lankan labour market supply capabilities. That is why still the Sri Lankan labour market supplies unskilled labour and housemaids. Presently foreign countries have a demand for skilled labour. Therefore Sri Lanka has to promote and improve the quality of skilled labour. In 2010 considering Sri Lanka labour market demand and supply, there was a huge gap with regard to professional jobs and other categories. The professional level job gap is about 2,407 while the gap for middle level workers is about 1,367. Further, clerical and related job workers supply gap is about 8,288 and skilled workers job orders was 181, 316. However, Sri Lanka has many institutes which offering various types of training courses but still it has unable to match the foreign labour demand (IOM 2008).

3.2.4 Student Migration

Student migration has been a main trend in Sri Lankan migration during the last few years. After the Advanced Level examination a large number of school leavers seek opportunities for higher education abroad. One reason is that it is difficult to find jobs for educated and highly skilled people in the country. As a result, Sri Lankan students migrate overseas especially to Western countries for education and later to obtain employment and residency in those countries. Australia, Canada, United Kingdom (U.K.), United State of America (U.S.A.), but also India, Bangladesh, Pakistan is major destinations for students' migration (Kalegama 2011). Regarding UK only about 14, 425 students visas were granted from 2004-2008. Male students

were higher than female students. In 2008, student migration to U.S.A accounted for 1076 student visas while 4017 students migrated to Australia in 2007 most of them (64 percent) male students. In addition, 336 students went to Bangladesh and 164 to Pakistan (IOM 2008).

3.3 Institutional framework for labour migration

The government of Sri Lanka felt the necessity to establish a migration institution as a result of the increasing the international migration flows in the 1970s. The main objective of such an institute was to control and monitor migration. With consideration to the role and importance of private remittances in increasing the economic growth, a foreign employment unit was established in the Department of labour in 1976. After the establishment of this unit, the Department of labour was able to find out foreign employment opportunities and they got a chance to organize, monitor and maintain migration records. A few private agencies were established to facilitate the sudden increment of foreign employment sector during the early stage of 1980s. Finally, in 1985 SLBFE was established as a result of the complexity to monitor the foreign employment (Bilsborrow, 1997, p. 185- 186).

By today, there are several branches of the SLBFE at the provincial level such as Matara, Anuradapura. SLBFE is the main and primary agency for international migration in Sri Lanka. In addition, there are many recruitment agencies which are operating with the approval of SLBFE. They play a key role in securing employment opportunities abroad. Most of recruitment agencies are located in Colombo and other major cities. Document processing, basic language training, training of skills, and arranging medical testing are the main activities, carried out by these agencies. Finally, all migrants have to register at SLBFE before departure (SLBFE 2011).

3.3.1 Main responsibilities of SLBFE

As described in the previous paragraphs, the key responsibility of SLBFE is to plan, monitor and source the foreign job opportunities. Their responsibilities are extended to conduct research; look after the employees in cases of conflict during service,

involving in legal activities- etc. Since 1995, all migrating persons have to at SLBFE. At present migrants are charged a onetime fee of approximately USD 100. The initial registration is valid for two year period and has to be validated every two years until the end of the service (SLBFE 2011).

The registered migrants can obtain various types of benefits such as foreign employment insurance, training programmes, and low interest loans from government banks - etc. In addition to direct benefits, SLBFE provides several social welfare programmes such as “videsha Rakiya” insurance scheme, “Sesatha” Retirement scheme, scholarships and financial support for the education of migrant’s children in Sri Lanka - etc.(SLBFE 2011). Apart from the above the Sri Lankan government recently established an organisation called “Rata Viruwo” with the objective of insuring the social welfare of family members of the migration workers (Kalegama 2013 p.xiii). Sri Lankan government, in co-operation with SLBFE has launch awareness programs to point out the importance of having a Non- Resident Foreign Currency Accounts (NRFC) accounts before departure. Presently this is important for all migrants to South Korea. In addition the government and SLBFE have supported bank loan facilities prior to departure and the migrants can then pay the installments through NRFC accounts (Aponsu 2013).

However, SLBFE is unable to record all information about migrants due to particular reasons. SLBFE is basically counting migrants who are migrating via private agencies. Some people are migrating by their own ways, such as being invited by friends/family members who are already abroad. Some migrate as students, but after education is completed they get employed abroad. Such migrants are not included in the SLBFE records. Another weakness is that SLBFE doesn't have a system for counting returning migrants (Wickramasekara, 2010).

3.3.2 Recruitment and pre departure costs

In addition to registration cost at SLBFE, all migrants have to spend money for recruitment process as SLBFE play an important role in sourcing the job opportunities. Middle East is the major destination for Sri Lanka migrants as of

today. As discussed in previous paragraphs, majority of the workers for Middle East are house maids and unskilled labors. In many cases, they have to approach a local job agency and register with them. Both these categories are paid a considerably high cost to agencies, compared to other skilled and professional categories. The total cost per each candidate shall be varies in the region of \$500 - \$1000. Some of agencies are allowed to pay in monthly installments after migrating while others are collecting the money prior to departure. This cost is basically consisting with agent's commission and other legal chargers in order to facilitate the departure. Even there is a government approved charge for each category, some agents are charging extra. Basically, the tickets and visa is provided by the employer. Meanwhile, some employees who are having good relationship with their owners are inviting to friends/relations in Sri Lanka for the next available job. Also, the employer can directly recruit the worker without going through an agency. In such cases, total charge of pre-recruitment shall be very minimum and limited to registration charge at SLBFE (Shaw, 2007, p.162).

A few percentages of employees are facing different types of issues with their employer. Some of the common issues are not paying the agreed salary and not providing the promised facilities. In case of housemaid, physical injuries done by employers are becoming an issue nowadays and it has come across few cases in Middle East up to date. This condition has created because most of the agencies has not able to conduct a pre study of their employers in case of house maids. Therefore, local agencies & SLBFE has to make sure that no housemaids are sent to employers where they treated badly. Otherwise, it will lead to increase the number of recruitments in informal path (Shaw, 2007, p.4).

3.3.3 National Policy for Labour Migration

International labour migration has become an important factor on national income in Sri Lanka since last two decades. With consideration of this massive importance, Ministry of foreign employment of Sri Lanka commence their preliminary studies to set up a national policy for labour migration at 2007 in co-operation with International Labour Organization (ILO). This has been approved in 2010 in Sri

Lankan parliament and taken into practice from then. According to Ministry for Foreign Employment Promotion & Welfare (2008), following are the main objectives of forming the National policy.

- For development of a long-term vision for the role of labour migration in the economy
- For enhancement of the benefits of labour migration on the economy, society, and the migrant workers and their families and minimize its negative impacts
- For working towards the fulfilment and protection of all human and labour rights of migrant workers

The National policy is further helping to promote the job opportunities for both male and female in a decent manner. With the policy, new rules and regulations were set up to ensure the freedom, security and dignity of foreign migrants and their families during the service and until they settle back in Sri Lanka. The Policy is developed in three sections; namely, governance of the migration process, protection & empowerment of migrant workers & their families and linking migration & development processes (Arunathilake 2010, p.16).

3.3.4 Migration and Sri Lankan Economy

Migration has significantly affected specially on the areas of economy, politics, environment and socio-economic conditions. Migration is directly impact on Sri Lankan economy in several ways. It impacts on poverty status, income level and employment or underemployment concept. In addition, it may impact on security concern (Kalegama 2013 p.1). I will discuss this further under the heading of remittance below.

3.4 Remittances

3.4.1 Definition of remittance

Many definitions can be found for the word Remittances in different types of organization and their articles with slight variances. As per the International organization for migration (IOM), Remittances can be defined as “monetary transfers that a migrant makes to the country of origin”. This is basically the financial flows in associated with migration of all workers. In most cases, the migrants’ remittances shall be personal level as a result of transferring funds to their family members in the country of origin. All the personal transfers would be in cash form. But, remittances shall not limit only to cash transfers. Further, it might be in the form of donations, informal transfers and goods carried across the borders to the country of origin, as a result of labor migration (IOM 2009, p.1).

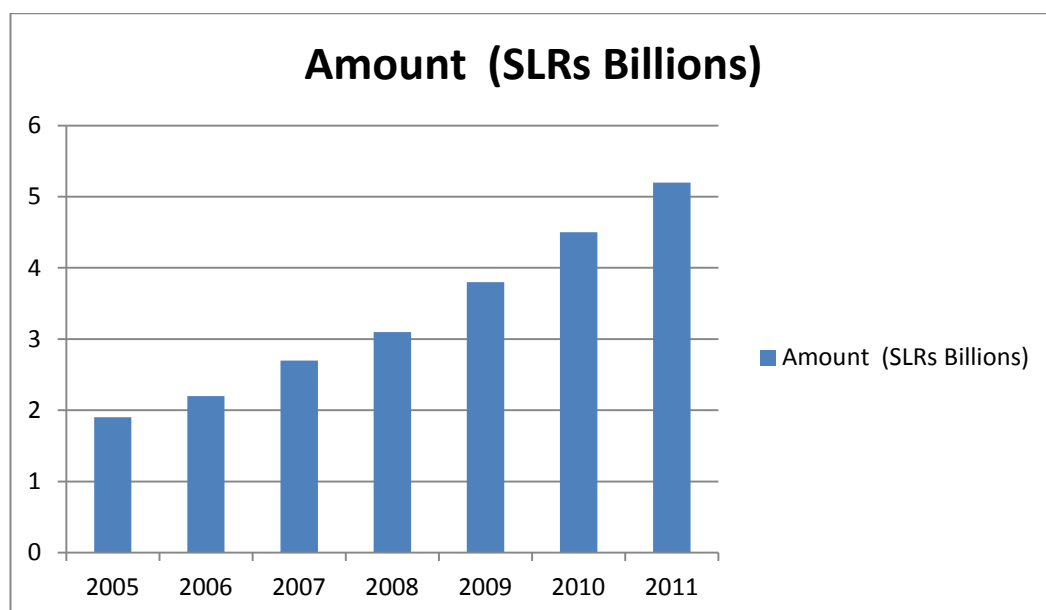


Figure 3: Government Income through remittances from 2005 -2011

Source: Central Bank Report (2012)

Remittances are the most important factor of overseas workers outcomes. It is a more stable form of capital when we consider inflows such as Foreign Direct Investment (FDI) and official development assistance (ODA). With the global trend of shrinking, foreign aid decline as a result of global crisis. Further, remittances support to increased households consumption and investment level. Migration remittance is

supporting to increase gross domestic product (GDP) and representing as a second highest foreign exchange earner. Considering a developing country such as Sri Lanka, remittances are the most important factor of the economy. Sri Lanka import crude oil from Middle East countries and the cost is approximately equal to total earnings by remittances. According to the Central Bank Report 2012, net current transfers increased to US dollars 5,392 million in 2012 while compare with 2011 it was 4,643 million. Report says inward workers' remittances in 2012 increased by 16.3 percent to US dollars 5985 million while compared to US dollars 5,145 million recorded in 2011 (Central Bank Report, 2012, p.135). Figure 3 shows the government income received from remittance from 2005 -2011, in Sri Lanka.

3.4.2 Remittances received by region level

All part of the world is receiving remittances even not uniformly distributed across the regions. According to Ratha (2013), \$ 401 billion worth of remittances were officially recorded across the developing countries over all regions. Further it is pointed out that remittances have grown in all regions due to the rapid growth of oil rich Middle East countries; as a result south Asia got a major opportunity for exporting migrant labors. Development of petrochemical sector in Gulf countries has made a major variation of remittances within and between regions. This situation has caused to increase the total remittances from Middle East, North Africa and South Asia while Europe and Central Asia report a low amount of remittance out flow. The distribution of total remittances inflow, as a percentage to total remittances between the regions is graphically shown in Figure 4

When considering the remittances with figures in regional level across the world, East Asia & Pacific (EAP) region has recorded the highest amount of remittance inflow. It was estimated as \$109 Billion in 2012 which is an increment with 25% compared to the remittances in 2011 (World Bank 2013a). China has been selecting as the highest remittance inflow country on this region. It is approximately 55% of the total remittance inflow to the region in 2012. Philippines was recorded as the second largest remittance inflow country on the region, amounting to 22% of the total remittance inflow of the region (World Bank 2013a). Considering China's

remittance inflow, it can be seen that there are five major countries where china was receiving the majority of remittance; amounting to 70 percent of total remittance in 2012. Those are Hong Kong, United States, Japan, Canada and Singapore.

Remittance inflow in 2012 [US\$ Billion]

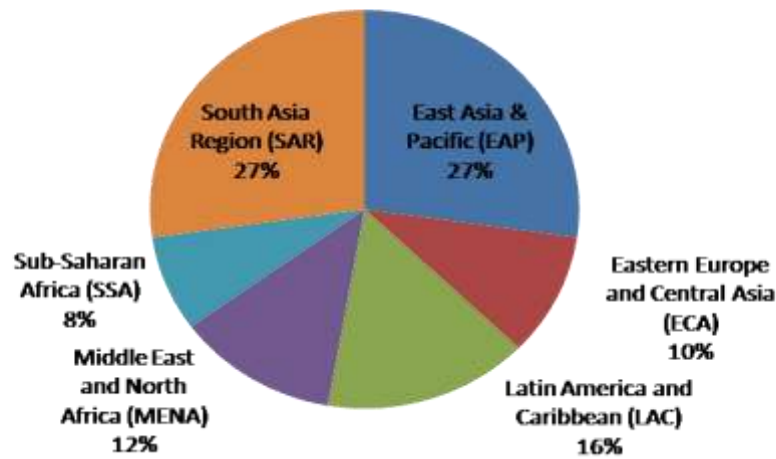


Figure 4: Allocation of Remittances over regions of the world

Source: World Bank (2013a)

When considering the Eastern Europe and Central Asia (ECA) region, the recorded remittance inflow was \$40 Billion in 2012. This is a decrease of 3.9 percent than expected. This was partially due to depreciation of Euro against US dollars. Meanwhile Russia was being growth with enhancement of oil sector; as a result most of the Russia migrants were departed to Ukraine and Tajikistan. The major percentage of the migrants from Romania, Russia and Serbia were in Western Europe by 2012. Remittance inflow of Romania was waved up after combining with European Union in 2004, but suddenly came down due to the crisis in 2008 as well as due to returning of migrants to their homes (World Bank 2013a).

Latin America and Caribbean (LAC) region has reported their peak remittance inflow in 2008 during the recent past. Even the estimated remittance is \$62 billion in 2012 which is 2.5\$ million less than in 2008, the region has obtain a slight improvement compared to past. Mexico is the main contributor of remittance inflows to the region with an estimated value of 56% of total remittance to the region in 2012 (World Bank 2013a). Brazil, Guatemala and EI Salvador are the other contributors to

the region's remittance inflow. Major percentage of the migrants of LAC region are employed in United State; amounting to 73 percent of the total migrants of region.

The Middle East and North Africa (MENA) is the most progressive remittance earning region in the world. They have recorded 14.3 percent of increment of remittance inflow in 2012, compared to the figures of previous year (World Bank 2013a). Sudden development of the oil rich Middle Eastern countries has caused to receive a large number of migrant workers from the region itself. Egypt is the largest recipient of remittance inflow, amounting to 40 percent of the total remittances to the region. As Egypt is geographically located within the close proximity of oil rich countries and availability of a large stock of skilled labors have been lead to boost the remittance inflow to the country. Further, 40 percent of the households in Egypt are depending on the income receiving through their family members who working abroad. So, remittance is one of the top incomes to Egyptian's economy. Lebanon, Morocco, Jordan and Tunisia are the other remaining countries who are contributing to the remittance inflow of the MENA region.

Even the Global crisis has been causes to decrease the expected remittance income in Sub-Saharan Africa (SSA) region; it has been recovering the issues later on. The estimated value of remittance income of SSA region in 2012 was \$31 Billion and it was only 1 percent deduction than 2011 figures (World Bank 2013a). Nigeria and Sudan are the largest contributors to region's remittance income. Out of them, Nigeria had been recorded a value of 67 percentage of the total remittance to the region, winning the first place. Senegal, Kenya, Sudan and South Africa are the other contributors to the remittance inflow of region. Western Europe and USA is the main destination for migrants of SSA region; Chad, Italy, Cameroon, Spain, Germany and Ireland are highlighted.

The remittance inflows of South Asia Region (SAR) were estimated as \$109 billion in 2012. This is an average increment by 13.8 percent, compared to previous consecutive years (World Bank 2013a). Oil rich GCC countries have boosted the requirement of both skilled/unskilled labour and have been the major destination for migrants of South Asia region. India is highlighted as the largest remittance inflow

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recipient country in the region as well as overall in the world. It was recorded a value of \$70 billion in 2012 as the total inflow from remittance to the India. In addition to GCC countries, Indian migrants are employed all the countries across the world where there is a demand for skilled labors. In addition to India, Bangladesh, Pakistan, Sri Lanka and Nepal are the other remaining countries which contribute to the remittance inflow of the region.

According to this data we can say the majority of remittances do not flow to the poorest countries however, developing countries more depend on remittances. But develop countries are less depend on remittance. (Graeme Hugo 2013). Considering as country level India, China and Mexico have become the top three remittance recipient countries. Especially, during last decade migration persons have been increased in Australia. Most important thing is skilled temporary residents and foreign students rapidly increased. Further 426,748 people are in Australia for student visa, and most of them included Asian region in 2011 (Graeme Hugo 2013).

Ratha et al. (2007), note that remittances to South and East Asia appear to be growing steadily, most likely because of strong demand for labour in oil-exporting Middle Eastern countries. They also note that remittance flows to Latin America and the Caribbean continue to increase.

Region	Remittance income to Sri Lanka from different regions									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Middle East	56.9	55.5	56.8	57.1	58.0	59.8	59.9	60.1	58.9	56.1
European Union	17.9	18.3	18.5	19.0	20.0	18.0	18.1	17.6	17.2	17.9
Far East Asia	4.9	4.9	4.5	5.1	5.4	6.0	6.1	6.0	7.8	8.5
Europe Other	8.1	8.2	7.0	6.6	5.4	4.4	4.4	4.3	4.5	4.6
North America	6.4	6.7	6.5	5.5	4.2	3.9	3.8	3.4	3.0	2.9
South East Asia	1.9	2.0	2.0	2.4	3.0	3.1	3.0	3.5	4.0	4.4
Australia and NZ	1.2	1.5	1.5	1.3	1.3	1.9	1.7	2.0	2.0	2.2
South Asia	0.8	0.8	1.0	1.0	1.0	1.1	1.2	1.4	1.0	1.5
South & Central America	1.0	0.9	1.0	1.0	0.9	0.8	0.9	0.9	0.8	0.8
Other	1.1	1.1	1.5	1.0	0.9	1.0	0.9	0.8	0.8	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3: Remittances from different part of the world from 2003 to 2012

Source: Economic and Social statistic n Sri Lanka, 2013, p.86

Impact of Remittances on the economy

In Sri Lanka like other developing countries, economics remittances represents resource inflow that often exceeds variety of other balance of payments flows. Further remittances are largely personal transaction from migrants to their family and relatives. Remittances directly involve reducing households' poverty level and also it helps to develop human welfare. Further remittances support to reduce poverty head counts ratio households (Ratha 2007). Remittances support to increase country inflow of foreign exchange and on the other hand it supports to increase demand of foreign currency. Moreover remittances use for consumption and investment as a result of increase home economy consumption and increase level. Exclude gross national product moreover capital inflow supports to decrease unemployment rate.

3.4.3 Remittances in Balance of Payments (BOP)

Remittances contribute to support Sri Lanka's weak balance of payments. The Central bank of Sri Lanka (CBSL) is the authority which is responsible for compilation of Balance of Payments. Remittances have played a very important role and contributing 49 percent of export earning, 30 percent of import expenditure and 27 percent of total current recipient in 2010. The role of remittances was important in terms of mitigating the effects of a balance-of-payments shock in the wake of the global economic crises (Central Bank Report in Sri Lanka 2010).

For instance, as the Sri Lankan economy was subject to the external supply-side shock of a rapid rise in international oil prices during 2004-08, a sharp deterioration in the trade account was offset by higher inflows of remittances. While the increase in 2005 is explained by the post-tsunami related inflows, remittance flows continued to remain robust in the wake of the boom in oil exporting countries of the Middle East (Arunatilake, 2010).

3.4.4 Migration Remittances in Gross Domestic Production (GDP)

Remittances have become a greatest external source of external finance in many developing countries like Sri Lanka. When we consider income level, remittances

Impact of Worker's Remittances on Household Income and Welfare in Sri Lanka

represent a substantial proportion of income. Sri Lanka was already the second largest recipient in foreign income as a share of GDP in 2012. Remittances directly contribute to GDP and also it support to develop migrant families welfare.

Further in 2010 US 5.2 billion dollars was offset by remittances from abroad and it contributed 84 percent of the huge trade deficit. Considering 2011, remittances increased by 25 percent to US \$ 5.1 billion and 53 percent contribution to the deficit. Therefore remittances are most significant fact compare with other capital inflows. Moreover remittances have contributed country GDP. It was 8 percent to GDP in 2008 and increased till 9 percent contribute to GDP by 2011 (Central Bank report 2012). The fluctuation of remittance income as a percentage of National gross domestic products is graphically shown in Figure 5 during the period of 2005 -2009.

Sri Lanka has increased national savings and investments as a result of remittances. Further remittances support to increase economic growth and make an investment environment. However, Remittances play an important macroeconomic role in terms of contributing to GDP both directly and indirectly. Remittance incomes alleviate poverty and improve living conditions of a significant population in the country.

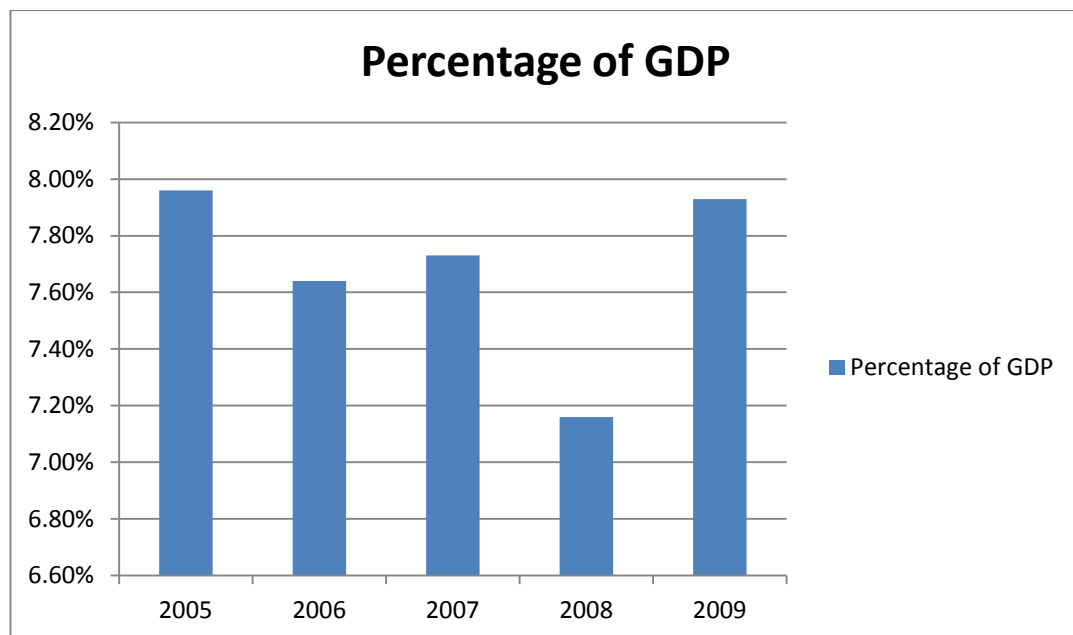


Figure 5: Illustration of Remittance Income as a % of GDP from 2005 to 2009

Source: Central Bank Report (2010)

3.4.5 Migration Remittances and National Savings

Remittances can be considered as one of the major input of national savings which causes to increase the investment rate of a country. This savings are in the form of cash, deposits and direct investment in to the financial system of the country. Even the total domestic savings of Sri Lanka is relatively less; it has been a governing factor in uplift the investment rate of the country. Remittances inflows give a major contribution to maintain Sri Lanka's national savings at a higher rate; accordingly keep the investment rate at a higher value of the economy (Colombage 2010).

The continued growth of private remittances from abroad raised the overall national savings rate to 24 per cent of GDP in 2012 from 22 per cent of GDP in 2011. Hence, despite the increase in investment as a percentage of GDP to 30.6 per cent, the savings-investment gap as a percentage of GDP, improved to 6.6 per cent in 2012, from 7.9 per cent in 2011 (Central Bank Report, 2012, p.11).

Treatment of remittances in national accounts shall vary from country to country and their economic system. Some of the countries are considering the remittances as part of the national income and some countries take that as national savings. As an example, Sri Lanka as well as India and Thailand do not consider migrant workers' remittances as a factor income from abroad and thus, keep excluding that amount while preparing the national accounts. But, Sri Lankan government takes the remittances as part of the national savings. Therefore, the total amount of national savings shall be the addition of total domestic savings and personal remittances from all overseas workers. Mean while, some Asian countries such as Philippines, Bangladesh and Pakistan are treating migrant worker's remittances as a factor of income to the country; hence consider such income as part of Gross National Product (GNP) (Colombabge 2010).

3.5 Role of remittances in poverty reduction

3.5.1 Impact of remittances on poverty

Poverty is the most common word in developing countries. It can be measured in terms of two terms called absolutely poverty and relative poverty. According to

World Bank, relative poverty line means “in relation to the overall distribution of income or consumption in a country”. Absolutely poverty means “anchored in some absolute standard of what households should be able to count on in order to meet their basic needs” (World Bank 2012). GINI coefficient and the Lorenz curve can use to measure the relative poverty (Todaro and Smith, 2003).

Remittances positively impact on development and poverty reduction in Sri Lanka. Especially remittances affect the probability of food-based and capability-based poverty among underprivileged entities at the receiving end. Further, household income level depends on how many family members are working abroad and their income level.

According to previous studies most of them pointed out that basic reason for migration of workers is to seek better employment opportunities and, the vast majority of people migrate to fulfill the basic needs of their families. Hence, remittances have a direct impact on poverty reduction, as they tend to flow directly to poor households. Considering income distribution many workers their income use for primarily for the meeting basic needs of food, shelter, education and health care. Remittances are not used for “productive” investment, because poor households have no enough knowledge regarding investment activities. Nevertheless, when remitted money is used for food and nutrition, education and health, it represents an investment in human capital and an improvement in the quality of life (Bhadra 2007).

Adams 2003 has found that a strong statistical impact on poverty reduction through increased international migration and remittances. However, poor people mostly allocate their resources to decrease variation in consumption and to avoid starvation (see Todaro and Smith 2003). They spend more money for their consumption because poor household remittances don't have more properties. So, high remittances families try to move up in social and income classes (Dimzon, 2005, p.99). Further Adams (2006, p78) has showed that remittances increase a family's investments in the form of housing and education expenditures rather than basic consumption on his study about Remittances in Gauthamala.

3.6 Sri Lankan Household's income

According to The household Income and expenditure Survey (HIES), household income define as the total income received by all the members of the household from all the sources, either in cash (monetary income) or in kind (non- monetary income). Moreover during this survey, household income has categorized under 7 categories such as wages and salaries, agriculture activities, non agricultural activities, other regular cash recipes (pensions, dividends and rents), and interest amounts received from various types of savings, current remittances and local and foreign transfers and irregular gains or windfall income such as compensations, lottery wins etc. (Household Income and Expenditure Survey 2009/2010 p.14).

According to this survey mean monthly household income was SLRS 35,495 in 2009. It says that Western province became as a highest household income earning province and other hand Eastern province reported as the lowest household income earning province (p.14).The most important thing is income inequalities in Sri Lankan household. Survey says that the “national household income quintile represents 20% or one fifth of the total households in Sri Lanka. The highest or the fifth quintile holds the richest 20% households, the bottom or the first is for the poorest 20% and the 60% from second to fourth quintiles are considered as middle income group.

We can use Gini coefficient to measure the dept of income inequalities and income distribution. According to Gini coefficient the survey result revealed that the Gini of household income in Sri Lanka is 0.47, meanwhile urban and estate sectors reported 0.45 and 0.44 Gini values respectively (p.18). In addition, per capita income factor as an indicator to understand and compare the country's standard of living over time. According to the mean monthly per capita income at national level was Rs. 8,931 in 2009 and the median was Rs. 5,863. Moreover this survey found out richest 20 percent of the total population shared nearly 52 percent of total household income, middle 60 percent and poorest 20 percent shared respectively 43 percent and 5 percent of household income in 2009 (p.20). Figure 6 shows this data in graphical view for quick reference.

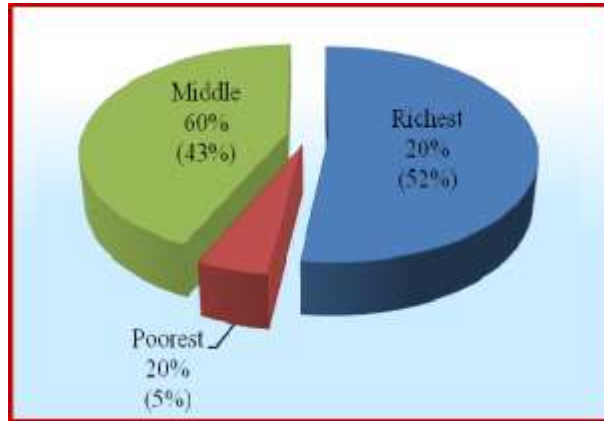


Figure 6: Share of Household income by household income quintiles in 2009

Source: Household Income and Expenditure Survey 2009/2010, P 17

Household income sources are important and it divide as Monetary and non-monetary. Those are main ways to household where receiving income. The main household income is monetary income and it was SLRS 30,191 out of SLRS. 35.496. Wages and salaries are major income source of household income (p.25). Other important fact is households' expenditures. Household spent their income under few ways such as foods, non foods and incurred by boarders and domestic servants. Further survey says that the average monthly household expenditure for food, drink and non food items are SLRS 32,446 for Sri Lanka in 2009 (p.28).

3.7 Formal institutional infrastructure for remittances

It is quite important to discuss about the methods of sending remittances to Sri Lanka. As at today, Sri Lanka has a relatively developed efficient network of financial institutes of both government and private sector which are dealing in receiving migrant's remittances. All the licensed financial institutes which offer infrastructure facilities for remittances inflows are under supervision of Sri Lankan's Central Bank. There are 25 licensed agencies in Sri Lanka including state and private sector commercial banks. Migrants can directly credit the remittances to their correspondence bank account in Sri Lanka through the local agencies in aboard. Those all foreign agencies are registered with one or many correspondent banks in Sri Lanka to facilitate the service in sending the remittances. In addition to banks, Sri Lankan postage offices are offering an adequate service as one of the government

agency. But, today this seems a rarely used method compared to other efficient alternative money transaction services (Colombage 2010).

In private sector, Western Union money transfers are becoming more popular today due to its quick and straight forward methodology. These western union agencies are in connection with both state and private sector banks as well as their own network of agencies at both local and abroad. The reason for more popularity of this method is, receiver can withdraw the money in few minutes after credited by the sender. Therefore, western union is the ideal method for urgent money transactions. All other bank to bank transactions shall take approximately 1- 3 days subject to the availability of infrastructure network with the corresponding bank or agency in Middle East countries. But it might take little bit longer for bank to bank transfers from European, African and far eastern countries (Arunatlake 2010).

Bank drafts and telegraphic transfers are the other common methods in addition to above discussed. Bank drafts can be even sent by post as well as can carry with ourselves when travelling to Sri Lanka. All the methods discussed so far are falling under the category of formal transaction of remittances. But, remittances can be sent through informal channel also. The best example is migrants personally carrying remittances while they travel back to the country. Migrant can avoid the transaction fee by such methods (Migration Profile 2013).

3.8 Transaction Cost

At each remittance transaction, sender is charged a sum at the point of remitting as well as receiving. In case of sending remittance to NRFC or RFC accounts which operated in foreign currencies, the charge at receiving point is Nil in Sri Lanka. This is to encourage the migrants in sending their remittances. Even for remitting to rupee accounts, banks charge at receiving points (Sri Lankan Banks) are very minimum; it shall be approximately SLRs. 100 -150. The cost at sending point shall vary country to country and proportionate to the amount of remitting. Also, it depends on the number of agencies deals between sender and receiving body. As an example, sending remittance to Sri Lankan banks from London were cost UK£ 3 up to the

transactions of UK£ 200, in the year of 2013. Transactions between 200 to 1000 pounds, the charge was UK£5 and UK£10 was charged for Transactions between 1000 to 5000 pounds (The World Bank 2013).

Bank to bank transfer is the most economical money transfer method across the Middle Eastern countries also. The approximate charge shall be approximately 3\$ per transaction regardless the remitting amount, to Sri Lanka (The World Bank 2013) But, the charge shall be slightly increased when deals with a sub agency where another commission (Approximately 0.75\$) is added to the standard fee. Money transactions from Middle Eastern countries are fairly cheaper than European & other western countries. The transaction cost shall be between 25\$ - 100\$ in sending remittances from North/West Asia, Northern Europe and Anglophone countries (Colombage 2010).

3.9 Remittances and sustainable development

As per many researchers majority says migration can be economically good for a household and positively impact for development in the country. And also remittances are an incentive to migrate and remittances are particularly important for sustainable development because the process is based on a continuous mode of self-help. Remittances support to increase consumption and investments, as well as contribute to the stability of recipient economies. During the war-struck Sri Lanka, remittances are a crucial factor in the country's economic development, where they are usually larger and less volatile than foreign direct investments, portfolio flows and official development assistance ((Heilmann, 2006).

The large inflow of remittances are essential to Sri Lanka's balancing of debt and are necessary to mitigate macroeconomic shocks caused by the civil war and natural disasters such as the 2004 tsunami. Remittances may enhance the country's creditworthiness and promote access to international capital markets. In addition remittances also have the potential to improve bilateral relations between Sri Lanka and the countries hosting Sri Lankan migrant workers. Furthermore, in Sri Lanka, remittances provide a lifeline to the poor population and if administered correctly,

can result in increased investments and infrastructure development (Asia Economic Institute 2007).

Actually remittances are personalized financial transfers, adding up to the income of the receiving households, altering the income distribution and having substantial but not always positive socioeconomic consequences. There are some challenges. First remittance cost (see chapter 3) is very high. Second most of remittances go for consumption and investment and savings are less. Third, it is not clear whether the remittances fully compensate for the 'brain drain' and how one could tackle this problem. And fourth, there can be negative effects on the macroeconomic level, as an example remittance causing inflation problems (Heilmann, 2006).

When we consider Sri Lankan situation whole, remittances represent the second largest external source of funding. The government of Sri Lanka seeks to increase incentives for remittance inflows. Because, the lack of access availability and technology, combined with high commission rates, have resulted in a growing number of remittances being channelled through informal dealers, who scarcely keep records of transactions. Structural reform in Sri Lanka's formal infrastructure through improved technology and outreach is essential for long-term development, it will also improve remittance flows, help migrants manage their savings, and decrease their economic risks, awhile also increasing the volume of account-to-account transactions. Increased outreach would allow a higher number of people to access formal networks, particularly in rural areas where most remittances are received (Asia Economic Institute 2007).

3.10 Consequences of Remittances

It can be obviously accepted that remittance of migrants are providing a major contribution to the gross domestic product and hence income level of the households shall be increase while lowering the poverty level. But, there are few consequences also in the aspects of socio-economic view. Majority of the migrants are belong to the age of 18- 45 which is the most workable work age in regardless of their profession. In case of highly professional migrants like engineers, doctors,

Architects, Accountants...etc, country is losing the best collection of brains due to migrating (SLBFE 2011). As an example of a country like Sri Lanka, Education is still freely provided by the Government from first grade to graduate/ post graduate level by allocating a reasonable percentage of funds in each budget of the year. This is 9 percent of the total government's expenditure is to provide free education from the kindergarten till university graduation (Budget Speech 2013 p. 43) Nowadays, many of the educated personnel look for foreign jobs or migrate to western countries just after completing the studies in Sri Lanka. Even government spend much funds for free education, country will not receive the exact output due the impact of this brain-drain as a result of migration (Ukwatta 2010)

On the other hand, the sudden demand from Middle Eastern countries from last two decades, shall lead to an economic risk in long term basis due to the losing the jobs of migrants in one day. All Middle East countries are depending on the production of petroleum oil. In case of a limitation of the resources, there might be a risk in losing the jobs of extracts. That will lead to create many economic issues to the household as well as government.

In addition, there are some social issues due to migration the family members of households. In countries like Sri Lanka, we are still adhering to the eastern cultural pattern where mother is given a noble place in terms of taking care of family welfare. But, unfortunately in Sri Lank, majority of the housemaid- migrants are women which is having children. Once the mother of the family is aware from children, there is less assurance to the children. Some of the children are getting expose to social criminals. In addition, some fathers are addict with drugs, Alcohol, Smoke...etc. Social cases including child abuse, school dropouts and family break-ups are happening as a result of family separation. Therefore the effects of out-migration are mixed. A large proportion of the outflow consists of women domestic workers who have been vulnerable in destination countries and are a cause for neglect of children and ageing parents. Even they receive money on time; there will be no development in socio & cultural aspects at the mother's return to Sri Lanka (Ukwatta 2010).

Chapter 4: Methodology

4.1 Research Strategy

Research strategy is the core part of any research. The researcher has to formulate a well matching research strategy with his/her findings in order to complete a successful research. Basically we may say that the aim of any research strategy is to identify the best way of conducting a research. Saunders et al (2009, pp600), defined research strategy as “the general plan of how the researcher will go about answering the research questions”. Bryman (2008 p 698) define the research strategy as “a general orientation to the conduct of research”. Basically there are two types of research strategies: quantitative and qualitative. A researcher can use either a qualitative or quantitative analysis depending on the research questions. In some cases, a mixture of both qualitative and quantitative methods can be used depending on the nature (and the number) of the questions to be answered (Bryman 2008).

4.1.1 Quantitative research strategy

Defining a quantitative research strategy is a bit complex as this term is usually used to identify the experimental designs to find out independent and dependent variables in association with data collected through the primary process. Therefore, the definitions also can vary depending on the research area of a particular research. Further, Aliga and Gunderson (2000) has defined the Quantitative research method as “Explaining phenomena by collecting numerical data that are analyzed using mathematically based methods”. In simple terms, a quantitative research is carried out when the research questions have to be answered with numerical figures, for instance, the research question “how many students pass a certain exam”.

4.1.2 Qualitative research strategy

A Qualitative research strategy is a more “subjective” approach. According to Harwell (cited on Hiatt, 1986) qualitative research methods focus on discovering and understanding the experiences, perspectives, and thoughts of participants. The data collection can be through structural/semi structural interviews, questionnaires, case

studies, observations...etc. “How”, “What” and “Why” are the typical question words with which research questions begin. For example, “what is the impact of global warming on the wild animals?” can be a (sample) question for a qualitative research approach.

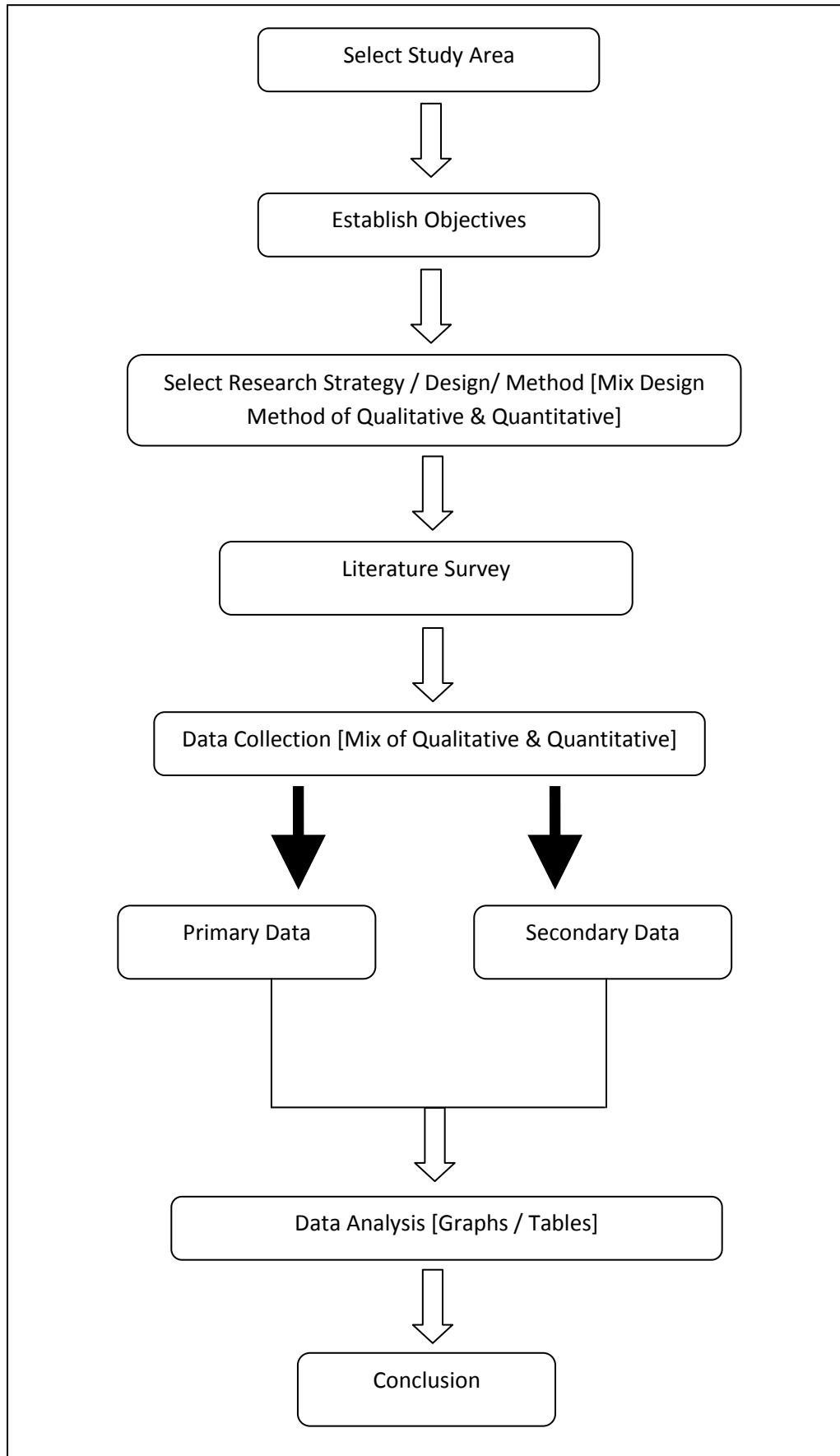
4.1.3 Comparison between Qualitative & Quantitative and my research

According to Bryman (2008, p21), the major difference between the above mentioned methods is the mode of collected knowledge. A quantitative method can be applied when collecting data from a huge number of participations, gathering a wide knowledge and information on a research question which usually can be expressed in numbers and statistics (Bryman, 2008, pp. 21-23). Research results from quantitative data are more generalizable, but also more superficial than qualitative data (Bryman, 2008, pp. 393, 394). According to Bryman (2008), the difference between quantitative and qualitative research can be shown below.

	Quantitative	Qualitative
Principle orientation to the role of theory in relation to research	Deductive; Testing of Theory	Inductive ; generation of theory
Epistemological orientation	Natural science model, in particular positivism	Interpretivism
Ontological Orientation	Objectivism	Constructionism

Source Bryman, 2008

When conducting this study, I have used principles from both qualitative and quantitative research strategies. The objective of this study research is to investigate whether the utilization of remittances is effective or not. This directly forms a part of qualitative analysis and the collection of primary data is a mixture of qualitative and quantitative research strategies. For example, the figures on income and expenditure of migrants have been used to analyze the savings of a household through the application of (quantitative techniques). The following diagram show the comprehensive flow chart which was followed during this study.



4.2 Research design

Designing a research has to be carefully carried out in its initial stage. A research can be designed in various ways as described in the next paragraph. But, the purpose of a research design should be to ensure that the findings of the research are effectively addressing the original research questions in a favourable manner.

Bryman has described research design as “a framework for the collection and analysis of data” (Bryman, 2008:31). Furthermore, he has pointed out five different prominent research designs. Experimental design, cross-sectional or survey design, longitudinal design, case study design, and comparative design (Bryman, 2008:31) .

Though there are many methods for designing research a particular research can be a combination of the methods mentioned above. In this study, principles from case study design, deductive design, and descriptive design and cross sectional design have been applied. Therefore this can be considered as a combination of those research methods.

Bryman (2008;53), has emphasized that a case study design often favour qualitative methods, such as participant observation and unstructured interviewing, because these data collection methods are viewed as particularly helpful in the generation of an intensive and detailed examination of one particular case.

This study is based on research among migrant workers (see 4.4 sampling) from the Colombo district and Kalutara district. The selected divisional secretariats are representing the districts from where the largest number of people has migrated, according to SLBFE records. The participants in the study represent different social categories according to variation in education, socio-economic status, race and religion, age group... etc.

In this study, the research questions were defined at the initial stage before conducting the primary data collection. Hence, this can be categorized as a deductive design as the basic characteristic of deductive research is formulating the research

questions before collecting the empirical evidences/data. Also, during the data collection of this study, different types of data collection techniques were applied to gather information; interviews focus group discussions, and semi-structured interview. Some of the findings are based on a quantitative approach while others are based on a qualitative approach. On that basis, this study can be described as a descriptive research where investigated and described the research questions use of data collection methods.

4.3 Method of Data Collection

4.3.1 Primary Research

Primary research is basically collection of original primary data collected and analyzed by the researcher. Primary data can be collected through different types of data collection methods such as interviews, participant observations, experiments. In this research, both primary and secondary data sources shall be used to obtain the necessary findings. The primary data collection for this study was carried out between 1st of October and 30th of December 2012. Different types of qualitative data collection techniques were applied, such as semi structured interviews, focus group discussions and participant observations to explore the relationship between migrant's remittances and the recipient households' welfare.

Semi structured questionnaire has been prepared by considering the common scenarios of the research questions while making it suitable for all participations in different skilled level. The basic questions asked during the primary data collection survey mention below. The detailed and formatted question guide is attached as an appendix to this report.

- Socio-economic status of the recipient household and remitter
- Profile of family members who are migrants
- Monthly expenditures
- The migrants ownership of durables, belongings and properties
- Educational and financial literacy levels of the migrants

- Living standard of the recipient household and migrant remitter

4.3.2 Interviews and structured Questionnaire

In this study, semi structured interviews were conducted as a part of the primary data collection. According to Bryman (2008, p 196), when conducting semi-structured interviews, the interviewer raises a series of questions in general form of an interview while the sequence of questions can vary. Compared to structured interviews, conducting a semi-structured interview can be more time consuming. The reason for this is that- all the respondents are allowed to freely express themselves rather than giving short and concrete answers to direct questions. This was the main reason for selecting semi structured interview for this study.

All the questions were explained in details to all participants in order to make them fully aware about the content of the question and obtain the most accurate answer. However, the respondents were given the opportunity to answer freely without much interruption. The prepared interview guide was used as a managing tool to avoid unwanted discussions that deviated from the main topic.

During the interviews, a voice recorder was used in some cases when the interviews were conducted indoor and when participants had a tendency to express in depth information about the question. A pen and notebook were generally used throughout all interviews to note down the answers from each participant. All the information were properly recorded and transferred to a laptop at the end of each day. All voice cuts were separately stored along with corresponsive data records and saved according to the name of each participant for quick verification if needed.

Household data was the main type information collected through the semi- structure interviews. During the interviews, detailed household data such as income, savings, and expenditures were collected. The information was collected from migrant workers who had been abroad for a minimum of six months period. and in the absent of migrant worker at the time of primary data survey, the information was collected from one of the family member of the particular household who is available in at

that time from two Districts (Kalutara, Colombo) of high labour sending regions in Sri Lanka. Approximately two months were spent to collect primary data from 150 migrants representing 60 households. The sample size and details will be deeply explained in separate paragraphs below.

In addition to semi-structured interview, a structured questionnaire was used to collect numerical data such as income, expenditure, savings, and value of assets...etc comparatively before and after migration. Further, socio economic data such as livelihood activities, educational attainment and basic socio economic characteristics of households (ethnicity, gender, household size, age) were also recorded from each household. In addition to this survey, facts on destination of remittances date of departure and number of years working outside the country were investigated. In addition to sample crew, additional interviews were conducted with returned migrants, bank executives & managers in Colombo, directors & senior managers in the Sri Lankan Bureau of Foreign Employment (SLBFE) and staff members of the Migrant services Centre, Jobs providing agencies and NGO specialized in advocacy and support services for migrant workers.

4.3.3 Focus group discussions

Focus group is a type of interview with several numbers of participants on a specific subject or issue. It can be introduced as a form of group interview where a group of participants face a series of questions on a fairly and tightly defined particular topic (Bryman 2008:473). In this case a question is raised by the researcher commonly addressing the crew and each member is given the opportunity to answer in depth according to their level of experience and knowledge. Generally, 6- 10 numbers of participants can be in a focus group.

In this research, I conducted two focus group discussions. There were six members in the first focus group discussion which was held in Kalutara divisional secretariat. Out of six, four members were female and two were men. The second discussion was held in Colombo having a group of seven participants where four of them were female. As this research is about only two major divisional secretariats (Kalutara and

Colombo), only two focus group discussions were carried out representing one in each divisional secretariat. This opportunity was used specially to enquire about the income and expenditure level of each migrant. Usually, they were not much interested in exposing the actual data on income level. But, after discovering a true story from one focus group member; the remaining crew also exposed their income and savings without further hiding. During the focus group discussions, a difference in response was noticed when answering the questions individually at semi structured interviews. Once taken to the path, they were happy to expose more important information such as savings, income...etc, as a group.

Both focus group discussions were recorded with a voice recording device in order to use those in analyzing stage. All the soft copies of voice cuts were transferred to lap top at the end of the day for future reference.

4.3.4 Secondary data source

Wiid and Diggins (2009) have defined the secondary data as “data that already exist as information had been previously gathered for some other purpose, not for the specific study”. This basically means previously published data on various types of documents such as media reports, books, journal, articles by private & government organizations...etc. In this research, apart from the above primary data survey, I have collected various types of secondary data to support the findings of research questions throughout the literature survey. The following institutions and their reports were utilized to collect data for this research.

Central Bank of Sri Lanka

- ✓ Annual Reports
- ✓ Consumer Finances and Socioeconomic Survey Reports
- ✓ Balance of Payments Statistics
- ✓ National Accounts estimates

Department of Census and Statistics

- ✓ Household surveys

- ✓ Census of Population
- ✓ National Accounts estimates

Sri Lanka Bureau of Foreign Employment

- ✓ Annual Reports

4.4 Sampling

Selection of a suitable sample is very important process in a study as the accuracy of final findings will be directly reflected on the same. Also the selected sample should represent the whole community as much as possible though there might be many practical difficulties. The sample for this was selected with a thorough understanding of the aim of research while following the theoretical sampling techniques.

In this research, selection of a certain province was really a challenge as frequent departures have been recorded in all provinces of the country. But, after inspection of SLBFE records, it could be noticed that both Kalutara district and Colombo district which are located in western province, are highlighted for the highest recorded number of departures in 2011. That is the reason for selecting those districts to collect the sample. The list of migrants was provided by SLBFE for each district. According to the list, the sample was randomly selected, but subjected to the criteria described in following paragraphs. In this study, the sample was consisting of 150 Nos. of migrant workers. Out of that, 75 migrants were selected from Colombo district and remaining 75 migrants were selected from Kalutara district.

Migrants were selected in the way that majority of them falls under the age category of 20- 50 years. In addition to age, other main criterion in selecting the foreign employees was they should have been working for a minimum duration of two years as an employee from 2000 to 2012. The selected sample was a mixture of both male and female, but the majority was female as majority of departures were house maids who were females. Further, the selected sample was consisting of all three major races in Sri Lanka; Sinhalese, Tamil and Muslim.

It could be noticed after a discussion with SLBFE that a few percentage of migrants are returning to the country prior to the completion of their initial contract period (1- 2 years) due to various types of reasons such as payment issues, loss of interest, inability to perform duties...etc. That is the reason for imposing minimum service duration clause to avoid unsuccessful departures. Also, after the discussion with SLBFE, it was made aware that some departures are under non- workable visa categories such as business visa, visit visa, family recruitment...etc. Therefore, in selection of migrants, special attention was given to select migrants who were employed only under working visa category. It basically focused on the migrants who had been working overseas and then settled in Sri Lanka. In case of their unavailability, the information was collected from their family members such as wife and children.

4.4 Data analysis

Data analysis is the ultimate important process of a research. All the final findings will depend on the method of data analyze. Berthold and Hand (2003, P.3) have defined data analysis as “the process of computing various summaries and derives values from the given collection of data”. In simple terms, the raw data which are collected through primary surveying will be converted to usable data during the data analyzing process. The most important factor is selecting an appropriate data analyzing method to match the necessary findings. A researcher can use one more type of data analyzing method to investigate the answers of the research questions.

Considering the basic objectives of this study, graphs and tables were most appropriate to analyze data as they were more presentable and understandable. Answers for all basic questions were separately tabulated and applicable graphs and charts were drawn to support the discussions in analyzing. Simple mathematical calculations such as calculation of percentages were applied on this part of analysis.

4.5 Validity and reliability

Validity and reliability are essential aspects of a research. A successful research should obtain a certain degree of validity and reliability of its findings. As per Joppe

(2000), the reliability is defined as “The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable”. In simple terms, a high degree of reliability means the findings of research should be fairly similar to another finding of a research which has been conducted with a different methodology.

In simple terms, Validity can be explained as the degree of trueness of measuring the data which will be used for analyzing. As per the Gravetter and Forzano (2009, p78), the validity of a measurement procedure is defined as “the degree to which the measurement process measures the variable that it claims to measure”. Validity and reliability is always more relevant to quantitative researches, as it is easy to compare findings in numerical figures. Even though, validity & reliability is more applicable to quantitative studies, some researchers have applied these concepts to qualitative researches as well.

In this research, all the efforts were made and precautions were taken during each stage of the study, to maintain the degree of validity and reliability in an acceptable range. During the literature survey, the information has been taken without making any damage to the meaning of its original publishes. As the reliability & validity is largely depending on the primary data, special care was taken when conducting interviews and preparation of the semi-structured questionnaire paper. Questions were raised in very simplified manner while expecting that participants will provide true and reliable data. As this study examines the sensitive data of migrants; such as income level and savings, it is practically difficult to expect 100% true answers. But all the efforts were taken to collect the required information through indirect way of raising questions during the interviews to uplift the validity and reliability of raw data. In few cases, the primary data had to be adjusted to increase the accuracy.

4.6 Limitation of the study

There will always be some limitations to a study. In this study also, there were several limitations and unavoidable difficulties. Some migrant workers were not available at local households during my study and primary data collection process. Therefore, I missed the opportunity of collecting information from the migrant himself/herself on a face to face basis. In those cases, the respondent was a family member of that particular migrant. Though all the required information was collected through family members, it might have been efficient if I could have got the chance to talk to the migrant worker directly.

The second limitation is sample size. Due to the limited time, the size of sample was limited to 150 migrants. Further, the sample was selected only from two provinces in Sri Lanka, though migration is recorded from all provinces. The selected provinces (Colombo and Kalutara) are fairly developed cities compared to few other remotely located provinces. Even if the basic needs of people are common, the life style which directly has an impact on the expenditures and savings, are different from developed cities to rural areas. Therefore, it is quite un-reasonable to prove that the selected sample will represent the whole migrant community in all areas of Sri Lanka. Therefore, the findings are straight forwardly applicable only for those migrated from above those provinces.

Due to limited resources, the study was unable to focus in-depth on the links between the foreign & local agencies as well as the role of local institutions such as Sri Lankan foreign Mission, Labour ministry...etc. These institutes might have more important data/ internal documents which are required and relevant for this study. Therefore, the lack of access to the above mentioned documents can be recorded as another limitation of this study.

On the other hand, one of the main challenges faced during this study was inquiring about sensitive matters such as migrant's income level, expenditure and savings. Migrants and their members of households usually did not wish to expose that information, especially regarding their level of savings. Therefore, sometimes, questioning on those areas were limited while respecting the requirements of participant's privacy. But, as the aim of this study was to critically investigate those

areas, obtaining some reasonable answers from each household was done indirectly. In few cases, they suspected me as a representative from local income tax department. It was noticed that the intension of hiding such data on savings was just to avoid paying income tax to the government. But after convincing them on the research background/ aims, it was made possible to collect some form of reliable data. In very few cases, I had to show my University identity card also.

Finally there was some form of language issues. Some of the migrants in the sample were Muslims and Tamils who could only speak Tamil language. A translator was employed to translate data into English.

4.7 Research experience

It was an amazing experience to conduct this research. Specially, I could be able to gather a sound knowledge of the socio-cultural livelihood of the people where I attended to collect primary data. While talking with participants, I understood that still they are suffering from many kinds of socio-economic problems. The majority of the sample whom I have interviewed was female workers who worked as housemaids in Middle East countries. The salary of some of them were pretty much low compared to the general industrial salary scales. They had selected migrating abroad as the last option of many efforts as their scope of choice was very much limited.

It should be noticed that remittances have been helpful to increase the socio-economic level of people to a certain extent. But, there were some cases where they had dropped in living condition even though there is an increase in their income level after migration. I met a couple of women in focus group discussions in Kalutara area who exposed their full story from initial migration till returning to the country. They were house maids and have migrated having a lot of hopes in the mind to increase the socio economic status of their families. Though they had sent money on time their husbands had wasted that money on gambling, smoking, drinking...etc. As the mothers are away, their children were not properly taken care of. Ultimately, when the mother arrives back home, their children have lost their education. Some small

children have even become victims of anti- social people. Therefore, I felt it is very important that somebody do a research on those issues. I did not do much investigation on those matters as it was going beyond my research limitations.

During the study, I met eight housemaids who have been facing lot of physical abuse from their employer while working at abroad. Three of them had been admitted to hospital for medical treatments soon after arrival to Sri Lanka and one of them has been admitted on the way from Airport. Some of them were not paid the regular salaries on time. One migrant reported that she has even lost her jewelleries while working. Not only housemaids, some migrants who were employed in labour categories have not been paid for months. Even after spending approximately SLRs. 75,000- 100,000 to local recruitment agencies prior to recruitment, they were not paid satisfactorily as agreed by the employers and agencies. Some agencies had miss-led these employees by promising decent salaries until they receive the recruitment fees. Most of the male labours had faced issues on overtime payments.

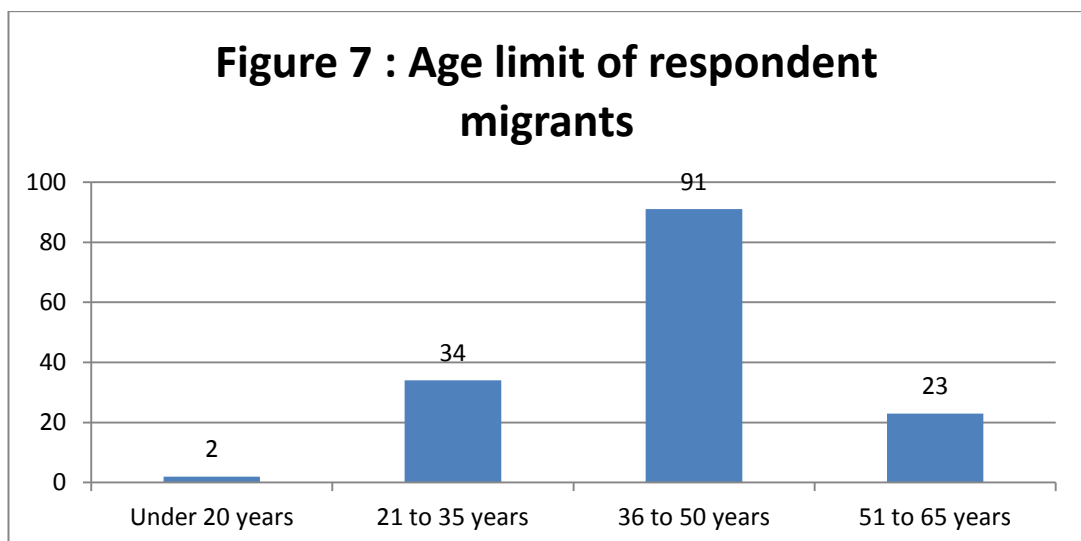
Chapter 5: Analysis

5.1 Democratic characteristic of Migrant Workers

5.1.1 Gender and age range

Out of the 150 of respondents, the majority, 58 percent was women while 42 percent were men. Compare with figures at the national level, the male participants for foreign employment was 51.67 percent and female departures were 48.33 percent in 2011 (Annual Report SLBFE 2011). Even though, numbers of male departures are higher than female departures in national level, the outcomes of this study was in other way. The reason for the difference can be noticed as the selection of sample where majority of the participants are female housemaids.

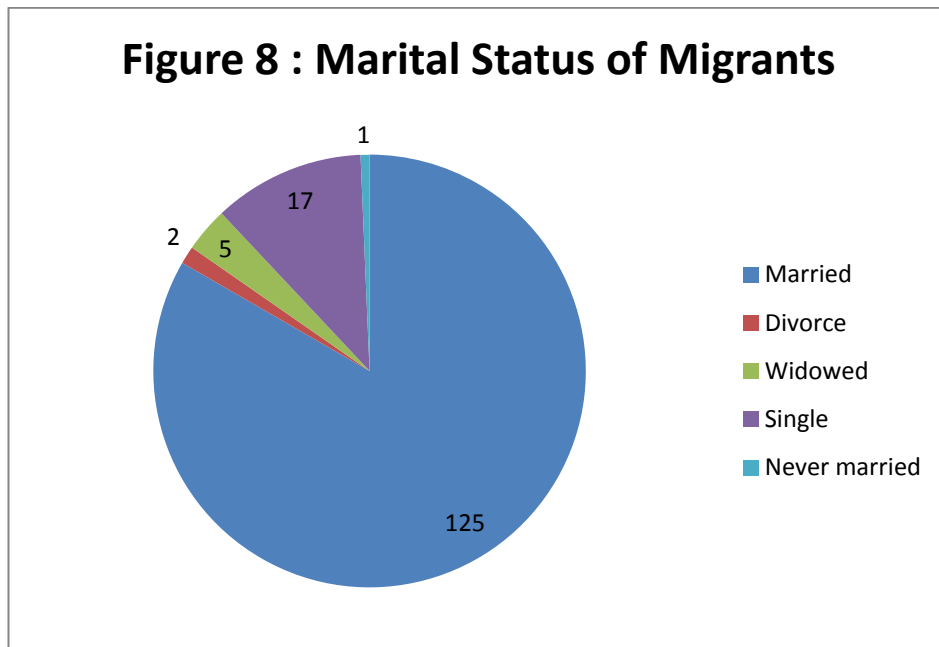
Figure 7 shows the age range of the respondents in my study. In this study, all respondents were selected from the range between 17 to 65 years of age. However, the majority were between 25 to 55 years. My sample is rather similar to that of Ukwatta (2010) regarding age ranges. In that study the respondents were in the age range between 20 – 44, representing 83 percent of the sample, among which 65 percent were female migrant workers in the age range of 28 - 60 years. The smallest group was those over 60 years, comprising only five percent. Only two people here were under 20 years of age.



Source: Field research

5.1.2 Marital status and age of children

The majority of respondents from my study were married, amounting to over 80 percent. 17 were still unmarried but some of them would marry in the near future. Two respondents were divorced, both women. Five respondents belonged to the widow/widower category, three women and two men. The age range of both the divorced and widowed migrants was above 50 years. The majority of the unmarried was in the age range of 25 to 38 years of age. One migrant worker who was not married did not have any intention to get marry later. This was because his household had been exposed to an extreme level of financial difficulties, and he was the only son of the family with four sisters. He had to earn money to satisfy the family's needs. Both the mother and the father of the household were not in a position to earn money as they both were suffering with long term deceases. As a result, he (the respondent) had not got the chance to get marry, only to work and earn money to the support of the other family members. Figure 8 shows the survey results on marital status of the migrants.



Source: Field research

Regarding the national data on marital status, 58.1 percent of population of Sri Lanka, age 10 years and above, are married and 32.5 percent reported are unmarried.

Comparing the findings from this study with the national data on marital status, there is a huge difference regarding the people in the unmarried category. The reason for this difference is probably the size of sample, and that respondents are only representing two divisional secretariats of Sri Lanka.

Among the respondents from this study, the majority of the migrant workers is married and has children. 25 percent of the migrant workers have two children or more, whereas the others had one child. A majority of the respondents work in Middle Eastern countries, where there are a number of restrictions and tight laws to control the issuing of family resident visas. They have to show that they have high salaries to get resident visas for the family members (husband, wife or children). In addition, high living costs are preventing the professional workers to keep the family members with them abroad.

Most of the participants in this study (as well as the national level) belong to the unskilled category. Therefore, they receive low salaries and enjoy a minimum level of facilities abroad. Therefore, the huge majority of workers do not bring their children with them. These have several socio economic consequences. Some children do not see their mother/fathers physically for long time and children don't like to chat via Skype.

I met one woman during my focus group discussion in Kalutara. She said that she had two children which were nine and 6 years old, at the time of her migration. Both children were living with their father. When she came back after a two year period of working abroad, her husband was engaged in another marriage and had left two children at their grandmother's home. There are many similar cases like this which have a directly negative effect the social and mental condition of the children. At present Sri Lankan government is attempting to introduce new rules and regulations for migrant workers especially for women migrants who have children in order to protect the children.

5.1.3 Educational status

Education level is one of the main factors which decide the monthly income level of a migrant. Table 4 shows the survey results for education level of migrants. Among the respondents, 54 percent of the migrants have obtained secondary level education. The lowest percentage of respondents was university level education migrants. There were 36 respondents with higher secondary level out of the sample of 150 respondents. Overall more than three quarter of the respondents has completed ordinary level and advanced level education. Their general knowledge should be at such level where they can understand the situation and adapt to the working environment abroad without many difficulties. There is a common issue of not having adequate skills on international languages in the middle level category, especially lack of knowledge in English language before migration. But, the majority of the respondents can speak English as well as Arabic after working for a period of time in abroad. Therefore, this is a good improvement and will be an added qualification for their future carrier. The majority of female workers had less education than the male workers.

Education Level of migrants	Nos.	Percentage (%)
Primary level education (first to fifth grade)	15	10
Secondary level education (Ordinary Level)	81	54
Higher secondary level education (Advanced Level)	36	24
Technical and vocational training	12	8
University education	6	4

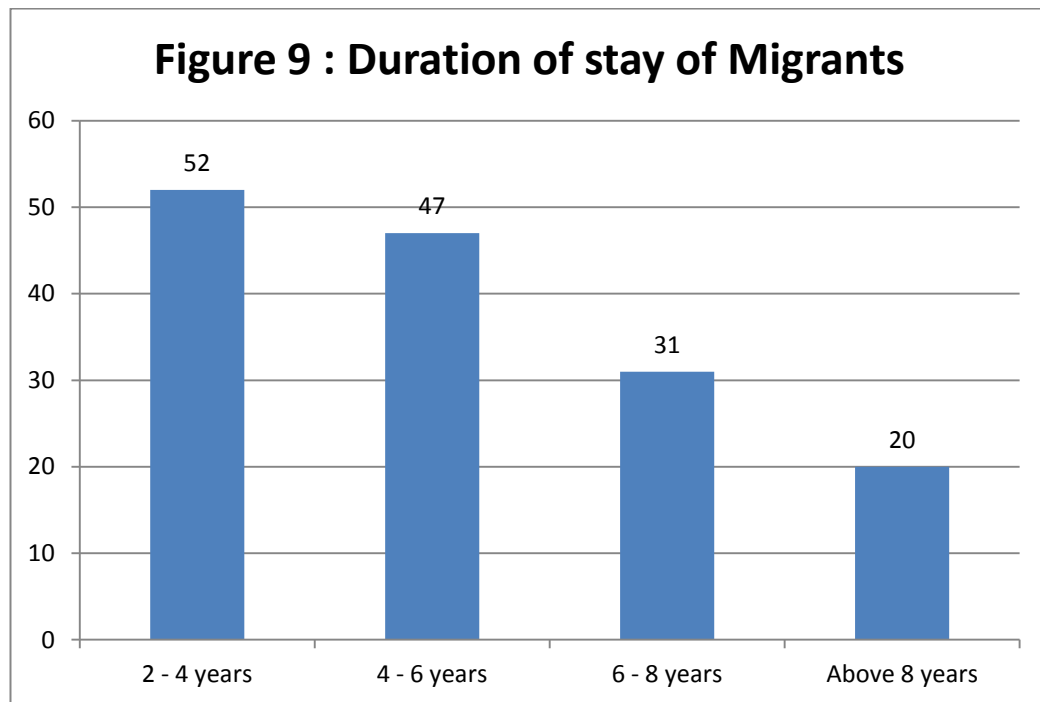
Table 4: Survey results for education level of migrants

Source : Field Research

5.1.4 Country of employment and duration of stay

Only migrants, who have been abroad for a minimum of 2 years period-, were selected for this study. Figure 3 shows duration of stay abroad for the migrants in my

sample. The majority had been worked abroad for 2- 6 years comprising approximately 66 percent of total number of respondents.

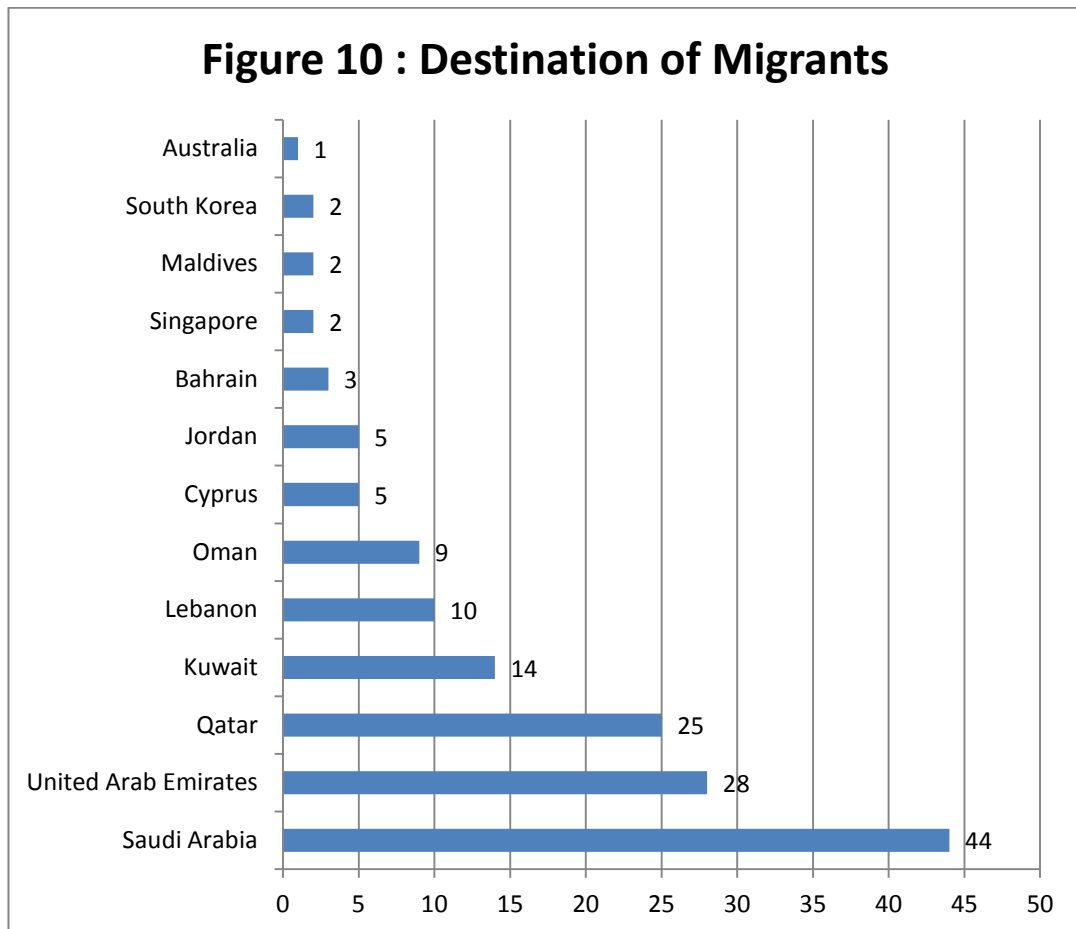


Source: Field research

The majority of women belong to the category of 2 – 4 years of stay. Out of them, more than 50% of had decided to remain in Sri Lanka after completion of their initial contract period of 2 years. Many types of reasons have been given not to continuity the as housemaids. Not receiving the agreed salary and physical abuse from the employer are the major reasons as recorded from responses of participants. Further, some housemaids had returned after two years as they had to work long hours without being paid for overtime allowances.

Only 13 percent of the respondents have continued their jobs for more than 8 years abroad. The longest duration of migration was 15 years. He was a carpenter in a multinational construction company in UAE. According to, his employer had treated him well with reasonable salary increments every two years based on the performance of the projects where we had been assigned. Therefore, he was satisfied and that was the main reason for continuing for such a long time. Many of the professional migrants such as Engineers, Doctors are falling into the category of 6 -8 years of stay abroad. The income from remittances by working approximately 5- 7

years abroad will be sufficient for them to settle back in Sri Lanka and continue to work with a local employer.



Source: Field research

Figure 10 shows the destination of migration. Out of 150 respondents, the majority migrated to the oil rich Middle Eastern countries, especially Saudi Arabia, United Arab Emirates and Qatar.

30 percent of the migrants went to Saudi Arabia most of them women. Saudi Arabia, United Arab Emirates and Qatar were the destinations for 97 migrant workers approximately 65 percent of the migrants. In addition to these Middle-East countries, a small minority migrated to other Middle-Eastern countries such as Kuwait, Lebanon and Oman. The number of departures for those countries was 14, 10, and 9 respectively. Far eastern countries like Singapore, Maldives, South Korea and Australia are not very attractive for migrant workers. This might be because the

difficulties in obtaining working visas in those countries. As an example, in the case of Australian migration, the authorities are highly considering the education qualification, work experience and language skills. IELTS (International English Language Testing System) is one of the commonly practiced methods to verify the language skill. Therefore, number of candidates who qualify according to the above criteria will be limited. At present, Australian government and Sri Lankan government together has imposed a series of strict rules to stop entering in to the Australia by informal channels like travelling by boats without visa. In order to control the informal entries, Australian government has already changed their migration policy and as a result of it, nobody will be granted to live in Australia without having a genuine visa. If somebody travels to Australia with no visa, all the migrants will be sent to Papua New-guinea for processing the further legal actions (Australia Asylum.com 2013).

Even if there is not many departures to Korea from the area which I have investigated, currently there is a trend in the Sri Lankan labour market to turn to South Korea for jobs. There is a government scheme for providing jobs in South Korea and it is totally controlled by SLBFE. Under this scheme, the migrant will be given a working permit for duration of five years which can be extended the employer in South Korea is satisfied with the worker. A group of migrants will be recruited for these jobs on yearly basis. As there is a limited quota for jobs, at present, there is an extensive competition for these Korean jobs.

5.1.5 Household size and composition

As it is mentioned on earlier section under marital status and age of children, a large majority of the respondents had children which are dependants of the migrant workers who are working abroad. Considering married migrant respondents, 104 respondents had children as well as some extra individuals such as parents, brothers, sisters, aunty, uncle...etc who are depending from the single source of remittance income. According to primary data, approximately 75percent of the married respondents are still taking care of their parents and 30 percent of the married respondents are taking care of one or two additional individuals such as sister,

brother, aunty or uncle. Table 5 shows the survey outcome for number of members in a household.

Household size (Number of members in a Household)	Nos. of Households
1	10
2	34
3	42
4	48
5 and above	16

Table 5 : Survey results for number of members in a household

Source : Field Research

As a result of cultural pattern of Sri Lankan families, most of them wish to live together until the youngest of the family leave the home after his/her marriage. Therefore, a typical Sri Lankan family consists of at least 2, 3 children as well as their parents. As an overall, one household had 4 members. According to my sample survey, majority was 4 - 5 members in one household. Minimum household size was one and there were only 10 migrant workers. Most of them were not married. There were 124 households which having a household size of 2- 4 members.

5.2 Reasons for migration

There are many reasons for people migration. Poverty can be identified as upmost reason for migration apart from 7 percent of the respondents reported unemployment as the reason for their migration. Unemployment has become a question for both educated and uneducated persons. For the less educated personnel, there is no more alternative rather than migration, considering the situation of the country. There is a huge gap in payments for workers in developing countries, compared to developed and oil rich Middle Eastern countries. Table 6 shows the collected data from the sample.

Impact of Worker's Remittances on Household Income and Welfare in Sri Lanka

According to respondents of my research, 132 personnel out of total 150 have been migrated due to various kinds of economic factors. The remaining personnel have been migrated for non-economic reasons such as educating their children and finding finance for health operations

Sr. No.	Reasons for migration	Nos. of Respondents	(%)
1	Due to poverty	105	70
2	To earn money for house construction and modifications	8	5
3	Unemployment in Sri Lanka (mismatch education and job)	11	7
4	For education of children and higher education of migrant worker	5	3
5	To earn money for start a business or buy a land	4	3
6	To earn money for marriages and children's dowry	4	3
7	To settle loan (to repay debt)	3	2
8	To live in a develop country with high socio economic condition	1	1
9	Unsatisfactory income in Sri Lanka	9	6

Table 6 : Survey results for reason of migration

Source : Field Research

Educated personnel choose migration as the way to success because thinking of a bigger salary package. This is because locally available employment opportunities are mismatch with their educational qualifications. They have to work for low level salaries and facilities. This can be seen as the most reasonable factor for labour migration of educated categories. There is a huge difference in terms of the salary package of working abroad, compared to the amount of earnings in locally in Sri

Lanka. One of my respondent said that he has been working for a monthly salary of SLRs. 30,000 just before the migration and now earning a monthly salary of SLRs. 250,000 for the same description & role of job by working in Qatar. Therefore, it is a great opportunity for persons who are having an education background to go abroad and earn money which is required to maintain a quality life style.

Living cost is increasing year by year. Most of the personnel cannot fulfill their basic needs with the income which they were having before migration. They have to earn more money to live with a middle level life style. That is why most of migrants answered poverty as the main reason for labour migration. Lack of suitable employment opportunities in Sri Lanka was cited as the second highest reason for labour emigration, 11 persons were under this category. According to respondents answer various financial constraints and motivations to improve living standards were among other crucial factors causing emigration. 8 migrant workers reported the major reason for migration as to make their house constructed and renovations. 5 of such migrants were women. When I went to interview them, I could see 2 persons were able to build their own house from their remittances. Further, I could notice that one housemaid has already partially completed the house up to roof level. All the block work was completed and construction of the roof was remaining at the time of my visit.

Apart from those economically reasons some of the personnel have migrated to satisfy their children education and financing for health problems. 6 persons of respondents are still continuing their foreign jobs because their children are attending to international schools for education; therefore it has to pay the school fees as well as the cost of extra tuition classes. Children of two persons are attending to government's school, but they have to buy text books and other accessories, transport cost. It could notice that almost all the migrant workers had the intension of educating their children more than them.

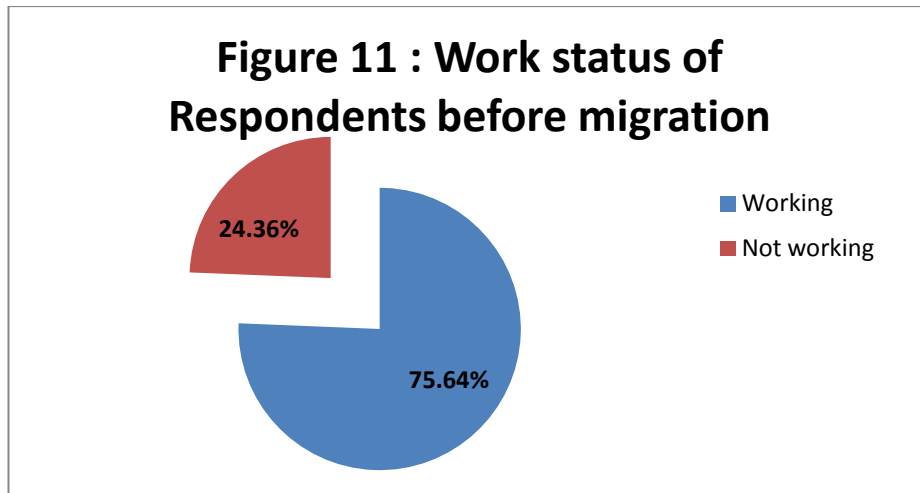
In addition to educating children and poverty, some migrants has been to abroad for fulfilment of specific reasons. I met one migrant on his vacation who is working in Qatar. His reason for migration was to buy a land. He is happy to settle back in Sri

Lanka and satisfy with earnings at local once he earns enough money to buy a land. 3 young ladies highlighted the reason for their migration as to earn money for their marriage as well as save something for the dowry. Offering a dowry for a girl when get marry is still happening in some provisions of the Sri Lanka. This dowry can be usually properties, lands, jewellerys, furniture or money which is usually given by parents to their daughters when they get marry. In case of parents have nothing to share for the daughters; they have to finance themselves to offer a dowry by employing in aboard or locally. But, employing in abroad has become a more popular and easiest was to collect some money in a short period as concerning the difference in pays between local and aboard.

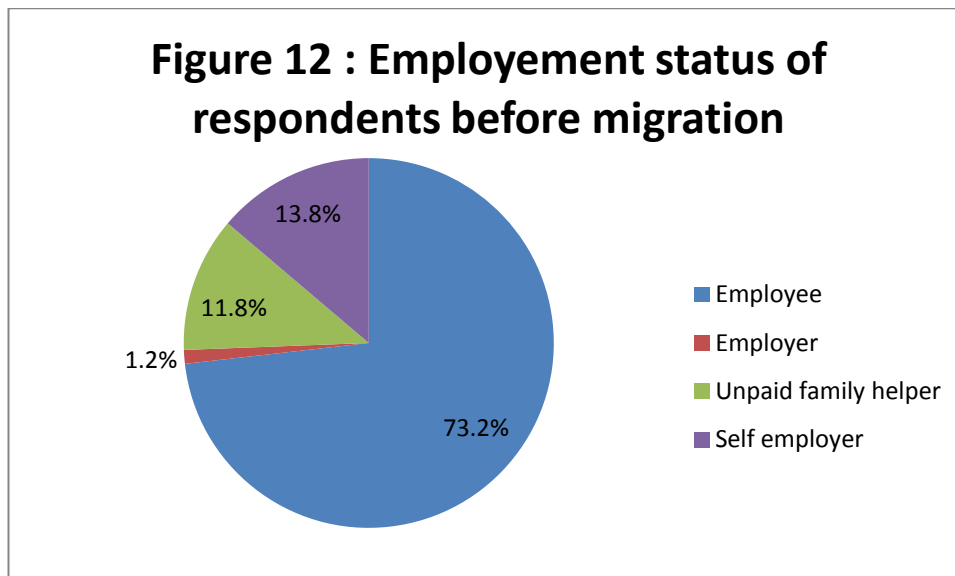
Finally it can be said that more than half respondent migrations worked overseas due to their economic problems. Poverty was a main reason and in addition, unemployment situation, to obtain basic needs specially build own house because most of households suffer from poor socio economic condition, to collect the money to make a permanent income source. It is important to discuss why more than half of respondents replied poverty as the main reason for their migration.

5.3 Status of Respondents before migration

It is much easier to find out a job for a worker which has been worked in the same filed than migrants who are going aboard as their first appointment. This is because, relative work experience is highly considered as a pre qualification for any type of jobs and it will be an added qualification if migrants have been worked outside the country before hand. Housemaids and general labours are falling under the category of unpaid family helpers which have never been employed in locally or abroad.



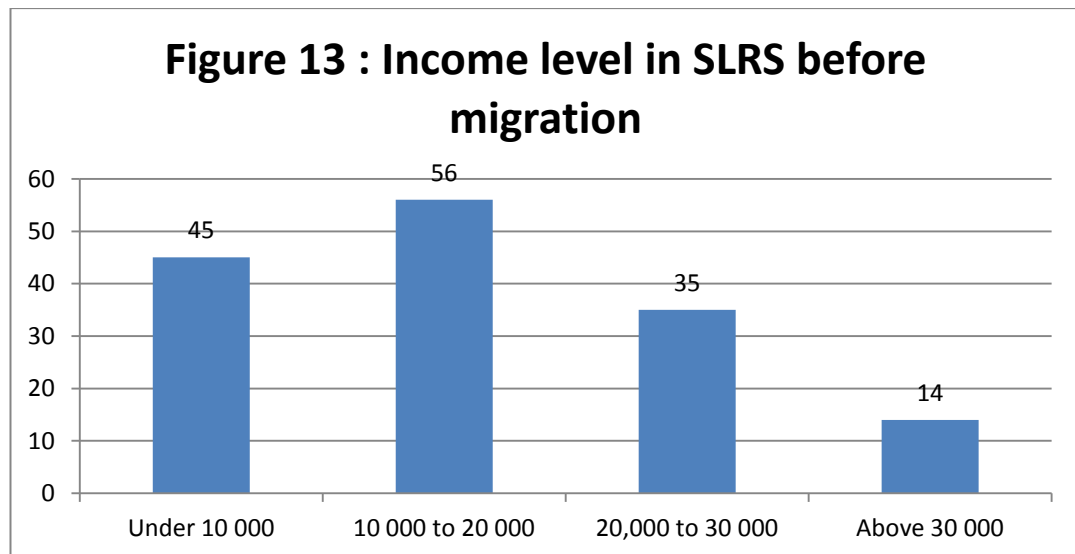
Source: Field research



Source: Field research

5.3.1 Income before migration

Figure 13 shows the income level of survey respondents before migration. As per the records of household's income before migration, 30 percent of the total respondents earn a monthly income of less than SLRS 10,000. 60 percent of migrants have been earned a monthly income between SLRS 10,000 – 30,000 and only 10 percent were recorded with a monthly income of greater than SLRS 30,000.



Source: Field research

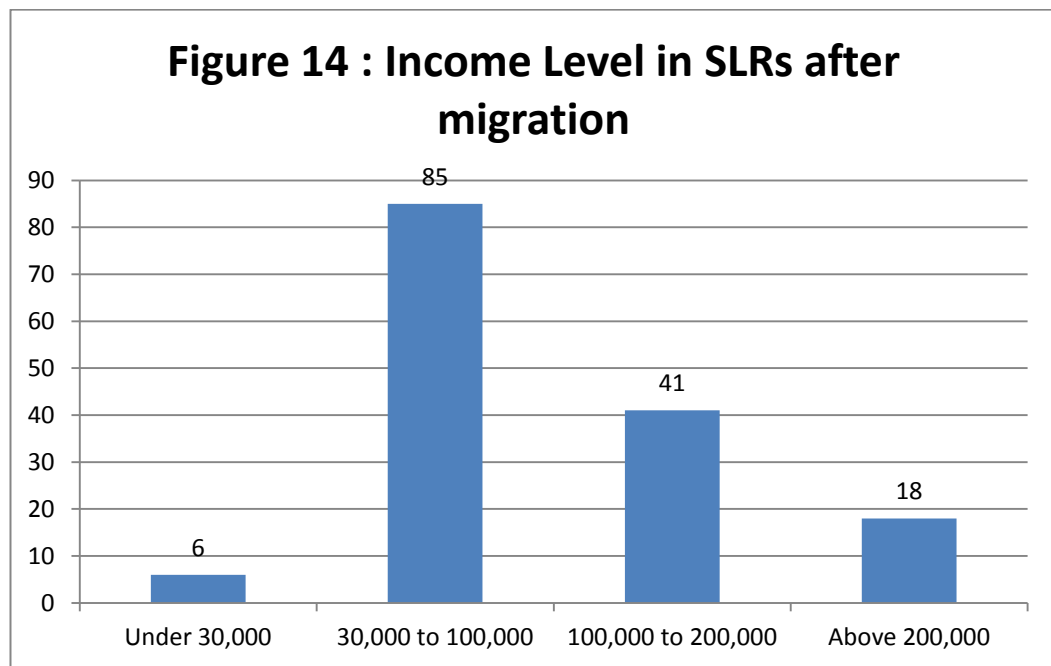
The majority of the respondent for this study was of secondary educated [up to Ordinary level] and employed in fairly low paying job categories such as laborers and general helpers. In terms of the profession of the workers, majority are housemaids. Therefore, the household's monthly income was at a very low value before the migration. The majority of the sample is represented by those who were having the intention of migrating because their income was not enough to even to satisfy the basic needs.

5.3.2 Income after migration

After migration, household income has been increased as well as their living standard has been developed. Figure 8 shows the income level of respondents after migration. Majority of respondents had not been directly contributing their family but after migration they are directly contributing to develop their family income. Among my survey respondents, only 8 persons have been employed at government organizations while others have been working in private sector organizations as employees and self-employed, before the migration. Considering their family members, all the members of the family are depending on the income from remittance which is sent by the worker employed outside the country. There were 20 households out of total 150 where 2 persons are working abroad from the same household. All the cases, it was husband and wife. Excluding that, there was only one migrant

worker from a household and it was either husband/wife or son/daughter of the household.

Only 10 respondents reported that they have an additional income source such as cultivation, house rent etc. Others were not reported about an additional income sources. Anyhow all survey respondents accept that their monthly income has been raised than the condition before migrations. After migrations, monthly income of majority of household was recorded between SLRS 30, 000 to 100,000 per month. Only 6 respondents were found having a monthly income of below SLRS 30,000 even after migration. 59 respondents reported on their monthly income as above SLRS 100,000 after migration. This is approximately 40 percent of the total sample.



Source: Field research

According to above results of monthly income level after migration, it shows that their monthly income has been increased by three times compared to the results of before migration. Further, there can be a relationship between monthly income and duration of stay in abroad, professional level and country of stay. While Housemaid, general helpers and other labour category show low income level, skilled workers including engineers, quantity surveyor, managers and accountants shows higher monthly income. According to the answers of survey respondents, all migrant

workers reported that their monthly income is not sufficient to maintain an average quality life before the migration. However, after migration, 102 respondents reported that their monthly income is sufficient to cater for a quality life. Among them, majority was unskilled labors, so their expectation was to satisfy with basic needs such as food, accommodation and general living expenses. That might be the reason for their satisfaction with the earnings from remittance.

As mentioned earlier, household income has been increased after migration and it is relate with the duration of stay in abroad. The employers, who worked only for two years or less than two years, pointed out that their income is not sufficient for daily expenses. This is because; they are not able to recover the initial cost of migration which is on very higher side for an unskilled labours/ housemaids, compared to their salary levels. As the majority of respondents on this study fall under unskilled / housemaid's categories, all are facing the common issue of financing the initial cost of migration. In many cases, they have taken debt from local banks or relatives, pawned their jewellerys in order to pay the fee of local agency before migration. Migrants settle this financial cost in monthly instalments or spending the initial 3 -4 month salary as agreed with the local banks or debtors. Therefore, they have to work abroad more than two years to see a positive increment on monthly income. This is the basic reason for dissatisfaction of the income even after migration.

5.4 Methods of transfer

As described on literature review chapter, there are many systems for transferring the remittances to the local households. According to my sample survey, majority of the migrants has been used formal services such as sending money through banks/ exchange agents to sent money to Sri Lanka. Table 7 shows the survey outcomes for method of transferring their remittance to household members in Sri Lanka. The method of money transferring is depending on transaction cost and duration to receive the money by local persons. Because in some countries, migrants has to pay a high cost as the transfer cost.

Method of Sending money	Number of Respondents	Percentage (%)
Bank MTOs	118	78.67
Bank bundle transfer	4	2.67
Bank draft	8	5.33
Bank swift telegraphic transfer	12	8.00
Postal services	2	1.33
Informal services	6	4.00

Table 7 : Survey outcomes for method of transferring remittance

Source : Field Research

As per the respondents, they use bank services for the money transactions because it is highly trustable and formal channel of transferring money. Bank to Bank (MTOs) and western union transactions are the most popular methods of transferring remittances in Middle-East countries. The other reason for the popularity of Bank to Bank method (MTOs) is, most of migrates sends the remittances in a regular pattern; a particular date on each month after receiving the salary. As the money comes directly to bank, the receiver can withdraw on partial basis and they manage the budget till they receive the remittance in next month. As the bank to bank method takes approximately 1-2 days to receive money, both receiver and sender have the understanding of duration and therefore, there is no any requirement for being urgent on transaction only in case of actual urgent cases.

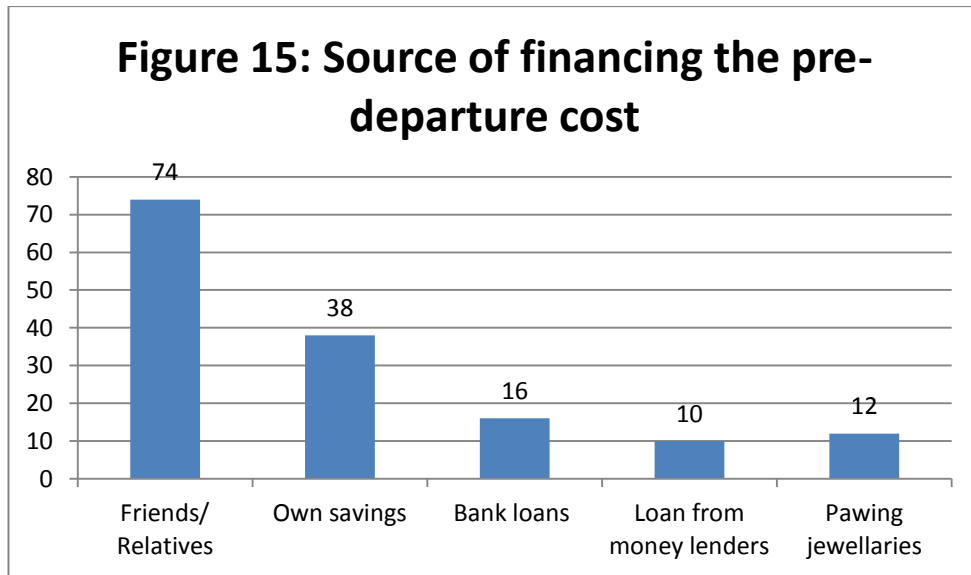
As per the respondents, they use western union transfer system only for emergencies as it is quick and fast service. It shall take only couple of minutes for receiver to withdraw the money. According to above results, it can be seen that Postal services is very rarely used as a money transfer method. This is due to the availability of other alternative and developed banking systems. Among my survey respondents, there were only 2 migrant workers who used to send migrants by postal services. In addition to above methods, they use informal methods. Specially, sending money along with friends or relatives is still remaining as an informal money sending method. Migrants collect the salaries for 3 to 4 months and hand over that to one of

their colleague who go for vacation and live in the same area of resident in Sri Lanka. Usage of this informal method depends on the occurrence of leaving their colleagues for vacation. Two of the respondents told with me that they were working on a same project in Middle East and there are no banks or any other money transfer systems close by to the site which was totally on the dessert area of the country. As there were lots of Sri Lankans on the same project, they used to collect all money and give to friends who go vacation in order to hand over to the relatives at Sri Lanka. The distance to bank is one reason for migrant workers are not use informal money sending channels. Other reason is all banks are open in working hours but most migrant workers cannot go to send money within their working hours. One unskilled worker explained with me that, he can't fill the paper documents for sending money in banks; their language barrier affect as a reason for use informal money sending channels.

At present, money transfer services are developed in Middle-East countries and there are some agents from Sri Lanka commercial banks who are having their offices aboard. Therefore, it is easier to transfer money through banks. By today, Sri Lankan who worked in Middle-East countries can do transaction with commercial banks such as fixed deposit, savings accounts, etc from their local agents available in abroad.

5.5 Cost of migration and its financing

Majority of the migrants have to pay a particular amount of finance cost before migration and they use difference ways to settle this cost such as borrow money from banks, friend or relatives, pawing assets like jewelleries, lands etc. In my research sample, respondents said that some agencies are expecting agency fee as well as ticket fee before migration, even though most of the employers provide the air tickets for joining the company.



Source: Field research

Figure 15 shows the survey outcomes for source of financing the pre-departure cost. The majority of my respondents had to pay for agencies and others have been migrated through friends, relatives or directly contacting with company. Poor households face financial difficulties in finding sources because they don't have asset to pawing. Further, some of the respondents expressed with me that they are not familiar with banking loan system because their knowledge is very limited on that. According to findings, it can be seen that majority of respondents use unofficial ways to collect money to settle the migration cost such as borrow from friends, relatives. Borrowing the money from friends and relatives is a fast and easy method compared to other alternative. In most of the cases, they are not asked to an additional amount as interest as the funds taken from friends. That is why majority has been selected this option to settle the migration cost.

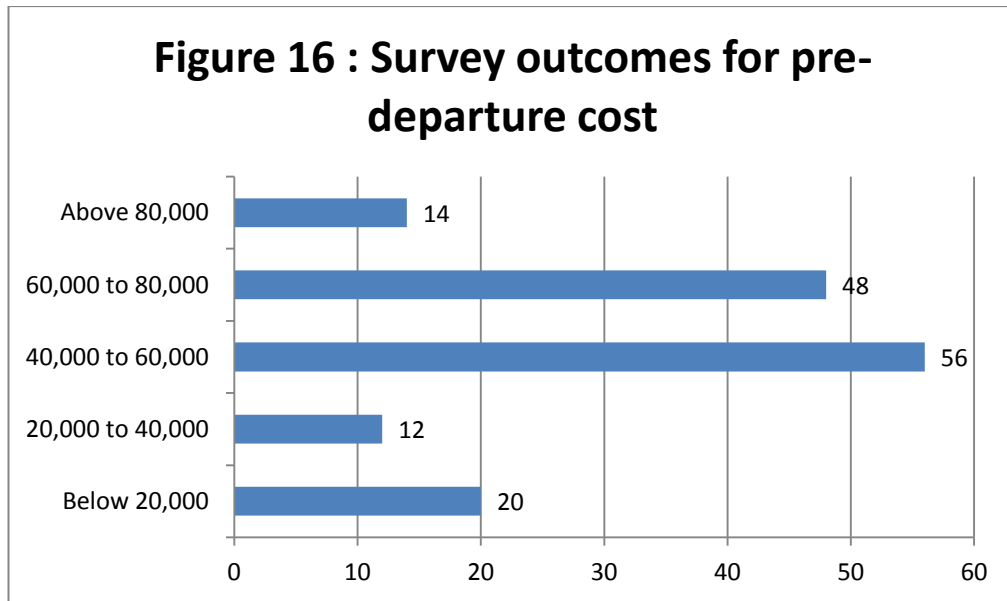
16 migrants have taken bank loans and 12 migrant workers have pawed their jewellery for sort the cost of migration. Meanwhile, 38 migrant workers have used their own savings to pay pre-departure cost. Spending the own savings is more profitable than borrowing money from banks and pawing centres as they have to pay an additional interest for the money. In this study only 16 respondents were found who has taken bank loans to pay the pre-migration cost. As per them, it is quite difficult process to receive loans considering the required documents other requirements. In many cases, it takes approximately 1-2 months to approve the loan

by bank and therefore, departure get delays. All the applications for bank loans should be witnesses by minimum 2 government officers who are working at the time of application. Therefore, these types of strict requirement have been caused to minimize the borrowing of money from banks.

According to my survey respondents, only 20 migrant workers had been migrated without paying a charge for agencies. Most of them have been migrated directly to the employer through the support of their friends who work at aboard. Meanwhile, 2 professional level migrants has been recruited via agency, but still without charged a pre-departure cost. As per their stories, agencies has requested for some money, but they have refused to pay while pointing out the legal situation which agencies should not charge for professional migrants who are recruiting directly for jobs. Instead of that, agencies are paid from the employer for those types of migrations.

The cost for migration basically depends on the monthly salary. But, it also depends on the agencies. Some of the agencies are operated with a series of sub agencies to find out the opportunities. In such cases, the cost of migration per worker shall be increased due to extra administration charges. Below table shows their total pre departure cost at the time of migration.

Figure 16 shows the survey outcomes for pre-departure cost. As per the data, majority of the respondents have paid a cost between SLRS 40, 000 to 80,000 for agencies and SLBFE. This can be accounted as approximately 70 percent of the total sample. However, their monthly salaries were less than this pre departure cost. Therefore most respondents had to allocate their initial 2- 3 months' salary to recover pre departure cost. During the primary data survey, it could be able to hear the stories of some migrant workers who had return to country after working only couple of months, due to various types of reasons such as high work load and environmental issues in the work place. They had been had to find additional finance to settle the loans which had taken before migration. But, those cases have not considered on this sample, as the selection criteria for the sample avoid the respondents who had been aboard for less than 2 years.



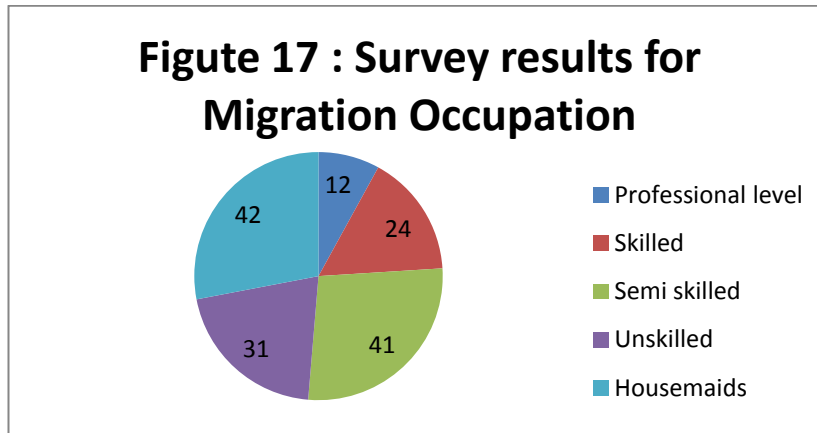
Source: Field research

The agency fee is generally consisting of their administration chargers, ticket cost and visa cost. But, majority of the employers offer free of cost tickets and visas, all the savings goes to the agencies. Generally, agencies not expose those data to the migrants. In addition to the agency cost, all the migrants have to pay for SLBFE registration cost. In addition to that, other minor expenses are passport preparation fee, medical test fee, certification of education certificates...etc.

5.6 Occupation of migrant

Figure 17 shows the survey outcomes for occupation category of migrants. According to sample which taken from Colombo and Kalutara divisional secretariats, the majority of the respondents were unskilled, semi-skilled and housemaids. Out of those, extra majority of women belonged to housemaid category and majority of male workers were categorized under unskilled category. Professional and skilled level categories were the lowest. There were 12 professional level migrants and 24 Nos. of skilled level migrants in the sample of 150 migrants. Engineers, Accountants and teachers were founded under the professional level category. Out of the professional level migrants, 6 Nos. of migrants were engineers, 3 were Accountants, one Quantity Surveyor and remaining were teachers who worked in Middle Eastern countries. Even there are departures for other professional

categories such as doctors, Nurses...etc; I could not able to find any of them in my sample.



Source: Field research

Housemaids and unskilled workers are respectively 45 and 32 of out of total migrant respondents. General labours and helpers were included in unskilled level category. Majority of them housemaid has been migrated to Saudi Arabia while majority of skilled workers has been worked in Qatar & United Arab Emirates.

There were 6 technicians, 7 drivers, 4 carpenters, 3 Masons, 3 secretariats and one clerk for skilled level category. Majority of the unskilled workers were less educated and they were general labours and helpers. At present, there are many Technical College and vocational training centres all over the major cities of Sri Lanka. These all centres are established under the Sri Lankan government and they call applications yearly for various types of courses. Even the Government of Sri Lanka spends money for courses and trainings; government has failed to supply job opportunities for all students who complete the training and courses. That is the main reason for migration of skilled level categories.

5.7 Education

Respondents have used remittances for their children's basic education and higher education. Formal education is provided through the government schools free of charge in Sri Lanka. It is further extent up to the first degree in university level and

technical colleges and other tertiary education institutions provided for the training of a wide variety of professional and semi-professional personnel. As a result, Sri Lanka literacy rate is about 90 percent. Even though it is free education from government, household has to contribute a certain amount of expenses for building construction, furniture, equipments and expenditures on teachers, non academic staff, suppliers, school uniform, text book etc. (Arunatilake 2009). Considering present situation in Sri Lanka children of migrant households are more likely to enrol with private education than non remittance receiving households.

According to the current regulations in Sri Lanka, all the children in the age range of 5- 14 should attend school and obtain the basic education. This is a parliament act which came into the effect from January 1998. Government is currently spending around 2.9 percent of the GDP for education sector which is ruled by the government schools and institutes. As per the researchers, this has to be increased to at least 4.5 percent in next six years to cater the budget for education in Sri Lanka. Therefore, it has to depend on the substantial investments support foreign funds to conduct the major changes on current system and implement the reforms. (Little 2000)

As per the sample survey respondent's data more than 75 percent of children were in the age range of 5 – 14 years and all children have been enrolled with school at the time survey conducted. As a result of this age range migration workers have to spent money for children for a long period. Because, the children who were at the age of 5 and 6 years, those have to attend school for next 10 years to complete the school education. Therefore, education expenses were one of the regular expenditure of the majority of the households.

Meanwhile, I could meet 12 children who are attending to private sector international schools and all other remaining children are attending to government sector schools. The school fees for private international schools were at very high level compared to the expenses for government schools. In addition, majority of the students attend for additional tuition classes as a result of competitive education systems. All those expenses should be added to the cost of education per student. I took school expenditures for one child at my focus group discussion. This is because;

their parents said that migrant has to spend one third of his remittance income or the education of his children. According to Household and Income Expenditure Survey 2012 School expenditures for one child average per one month shall be categorized as per table 8.

One of the migrant families had two children at the age of 6 and 10 years and both of them are attending private international school. Therefore a larger percentage of their income has to spend for children's education. According another household, their children have been attending to government schools before his migration. But, after migration, now their children have been enrolled to a private sector international school. That is because now they have a sufficient income for investment on the education of the children. Only 35 percent of children have been attending to private tuition classes before migration of their parents and it has been now increased by 100 percent with the migration of their parents. At present, 85 percent of the migrant's children are attending tuition classes. It can be said that remittances has lead to improve child schooling, reduce child labour, increased education expenditure and facilitate investment

Category of Expenditure	Value / Rs.
Exercise books and stationeries.	39.22
Educational newspapers and magazines	7.99
School text books	4.94
School facility fees (government)	9.36
School fees (private)	13.85
School fees (International)	25.63
Tuition fees	164.6
Boarding fees	5.07
Higher education course fees	35.54
Vocational training course fees	27.83
Pre-school fees (KG)	15.04
Examination fees	11.78

Table 8: Expenses for education of a child; Source: HIES, 2012

5.8 Health

Health care in Sri Lanka is mainly financed mainly by the government, with some private sector participation as well as limited donor financing. Sri Lanka has an extensive network of public health units and hospitals spread across the island. Public sector services are totally free at the point of delivery for all citizens through the public health institutions distributed island-wide, while private sector services are mainly through 'out-of-pocket expenditure' (OOPE), private insurance and non-profit contribution. Total expenditure on health in Sri Lanka was close to Rs. 125billion (US\$1.25 billion) in the year 2013. Total government's budget allocation for health has been fluctuating between 3.7% and 4% of GDP over the past few decades.

Consider the out of my survey, majority of workers use public sector health facilities before migration which can be accounted as 92 percent of the total migrants. But after migration this figure has been dramatically change. Most migrant workers are turning for private sector health facilities. As per the findings, approximately 65 percent of the households are now attending for private sector medical centres. 35 percent of total households prefer both private and government sector health centres. Only 5 percent of total household are still prefer to attend only for government hospitals. All of them are migrant in general labour categories.

There are some reasons for why people are willing to use private sector health facilities. The main reason can be identified as less crowd and waiting time. Compare to private sector medical centres, government hospitals are crowded and busy during all the timing of the day. Patients have to wait for 3 -4 days for some type of laboratory testing. Therefore, people have to wait on lines for long time and waiting their time. In other hand, people can attend on time and take the medical treatments without rush in private medical centres.

In my focus group discussion, one migrant worker said that his both mother and father are patients and they have to take medicine on regularly basis. Therefore he has to allocate a fixed amount of money from his remittance income on monthly basis. As per him, the medical cost is very expensive as some medicines and test

have to be carried out via private sector hospitals. However, it can be seen that remittances shall provide better health facilities for their family members. As a result of investment in health sector health demand increase and other hand, develop private health sector facilities.

It could be heard that after migration, most of migrant workers has been spending money for nutrition foods, extra vitamin and calcium food and good quality food. That is also affecting to decrease illness among the population. This is because many illnesses are spread as a result of wrong food system.

Remittances positively affect to increase the sanitation facilities of the households. All migrant workers has been spent some percent for water and sanitation facilities. It was one of the basic requirements for healthy life. This is because pure drinking water is one of the upcoming problems in some area of Sri Lanka. In my research areas, [Kalutara and Colombo district], some of the provisions are facing this drinking water problem. They have to pay approximately SLRS 20,000 or more than to get national water supply line. According to my focus group discussion, one migrant exposed that some persons are sharing water with their neighbourhoods and they don't have money to get national water supply connection. In addition some of the migrants have newly built toilet and bathroom facilities with improved quality and tiled floor.

5.9 Emergencies

Some migrant workers had utilized their remittances for emergencies such as medical tests, wedding ceremonies...etc of themselves or one of the members in the household. That is because most family members are used to request money from a migrant who is relative to them and working in aboard, in case of emergency financial requirements.

5.10 Good and service

Almost all respondents have mentioned that their remittances are being used for primary basic household expenditures such as goods and utilities. Also, it was further noticed that some households has changed their expenditures patterns after they receive remittances income. Comparing consumer goods versus durable goods, majority has spent the money for consumer goods than durable goods. Especially less income families are used to spend more than 50 percent of the remittance income for the procurement of consumer goods. According to my sample survey respondents, majority of them were housemaid and unskilled category workers which spending more than half of the remittance for consumer goods. This is because, most of them are still suffering with poverty and they don't have any additional income.

As per the respond of one migrant, his household has been received Samurdi relief which is given by the Government for less income families, before he went aboard. He has been granted a monthly allowance of SLRS 1000.00 which can be utilize to procure consumer products from government stores. But, that Samurdi relief also has stopped by the provincial authorities once he has migrated as migrant worker are not qualifies for receive this relief as per the selection criteria. During my survey, I came to know about four families which have faced the same issue of losing the government relief.

5.11 Savings

As per the survey outcomes, approximately 76 percent commented that they have got an opportunity to save a portion of money a result of remittance income. In addition, approximately 40 percent of them has already invested in education, housing, micro enterprises and increased their savings level. Meanwhile, remaining 60 percent of the migrants (out of 76 percent of migrants of original sample who have trend to save), has trend to keep their savings on Commercial bank's savings accounts. It has seen that migrants have selected private sector commercial banks than government savings banks for investing their savings. This is because; private sector commercial banks usually offer more percentage of interest for the savings. The majority of the respondents had their savings accounts in Sampath bank and Commercial Bank.

Meanwhile, a few percentages of migrants have been dealing with government's savings banks such as Bank of Ceylon and People's Bank.

The other reason for popularity of private sectors banks is their coverage. Main branches are located covering all major cities and sub branches are operated at rural level. My survey further reveals that 48% of the migrants deal with Commercial bank of Sri Lanka and 36% of respondents deal with Sampath bank Limited. Meanwhile, 10% of respondents deal with government banks (Peoples' bank and Bank of Ceylon) and remaining 4% deal with other miscellaneous banks. Three respondents which are 3% of the total sample did not have bank accounts and they used to transfer the remittances by western union method.

It could further find out that 40 percent of the total respondents have made their savings in terms of fixed deposits with private sector commercial banks. Most of them are male migrants who are father of the household in most cases. As most of the female are housemaids, their savings levels at a lower value. This is because they have spent the remittance totally for fulfilment of the basic needs.

5.12 Investment

As per the survey, it could see that some migrant workers have investment their remittances to buy mortar vehicles such as cars, vans, busses, tractors and trucks. They expect to receive a regular monthly income by renting out the vehicles. Vans and busses are used to provide transportation services for school children as well as public passengers. Some of them have utilized this monthly income for settle their debts.

During the survey in Kalutara area, one migrant worker said with me that he is satisfied with their investment of remittance. He has bought a mini bus on leasing by making 25% down payment and now the bus has been supplied to transport the office staff of a major garment in Kalutara district. Meanwhile another migrant had purchased a bare land of five acres and started to cultivate tea. One labour migrant of labour category has been worked in Middle East for 7 years and now has opened a

glossary shop with internet café. He earns an additional income of SLRS 20000-30,000 on monthly basis in addition to remittance. The most important thing is he could have able to provide jobs for another four unemployed workers as assistants.

One female migrant worker said on my focus group discussion that she has earned SLRS 30 000 per month during the period of working in Saudi Arabia and saved SLRS 5000 per month. That savings for period of one year was enough to buy a timber saw machine and start a micro level furniture making shop. Her husband is a carpenter and now he makes all types of furniture and he has two helpers. One migrant worker from my focus group discussion in Colombo said that he worked abroad as a bag maker in Qatar. Now he has 4 machines and 3 helpers and manufactures bags especially school bags and repairing bags. He has got a good market for this and earns approximately SLRS 35,000 per month.

In my sample respondents, 30 percent of the migrants have been investing to obtain the life insurance for them and as well as their family members. Therefore, they settle the insurance premium also from remittances income.

5.13 Migration and poverty reduction

According to household and expenditure survey which was conducted in Sri Lanka in 2012, it has used data to measure poverty status in country. It has measured poverty and poverty line, especially official poverty line (OPL) The OPL of Sri Lanka is an absolute poverty line constructed using the Cost of Basic Needs (CBN) approach and the bundle of basic needs determined as identified in year 2002 is the nutritional anchor used to evaluate the human development effectively over time. The value of the OPL is the minimum expenditure value required to be met by a person to come out of poverty and the units of the OPL are called as Rs. total (food and non-food) real expenditure per capita. (HIES, 2012, p.41)

It can be used four types of indicators to measure poverty. Those are poverty headcount, poverty line, the poverty gap index and the squared poverty gap index.

The poverty headcount shows the percent of the population living beneath the poverty line. Poverty gap index measures in percentage terms how far the average expenditures of the poor fall short of the national poverty line. The squared poverty gap index possesses useful analytical properties, because it is sensitive to changes in distribution among the poor. In other words, while a transfer of expenditures from a poor person to a poorer person will not change the headcount index or the poverty gap index, it will decrease the squared poverty gap index (Adams 2006, p.19)

Remittances, in fact, without doubt have a great potential to generate a positive impact on development and poverty reduction in Sri Lanka. In terms of poverty, remittances could directly reduce poverty by increasing income of the recipients. As per my study data, it could be found that remittances were several times higher than the incomes they could earn locally at all levels of occupations. It was higher than they earn in Sri Lanka for 10 years or more than which they earn two years or less contact period. This income rise supports to reduce the living cost of household members. Migrant workers' families have a higher income level and a higher level of consumer spending. That means their poverty level is less than other non-remittance receiving households.

Other studies also have shown that remittances have been important in generating output growth by increasing investment in countries with less developed financial sectors. The Adams (2006) study on remittances in Guatemala shows that remittances increase a family's investments in the form of housing and education expenditures rather than basic consumption (Adams, 2006, p.78). The Nilsson (2005) study on remittances in El Salvador shows decreases in absolute poverty through remittances and also points to the importance of other factors for poverty reduction since many poor households are not beneficiaries of remittances.

Chapter 6 - Conclusions and Recommendations

6.1 Conclusions

This study has been carried out to assess the impact of worker's remittances for household income and welfare. In particular, the study examined how such remittances contributed their income in various activities. In addition, it was tried to investigate the effects of remittances on human capital formation at the household level in Sri Lanka. Apart from that, this thesis also focused on other important issues related to the migration process and remittances, such as the cost of migration & its financing, and the channels of transferring money to household members. Further it was discussed the basic information of migrant worker such as gender, age marital status, family background and education level of migrant worker.

Considering migrant worker's savings and investment patterns, it could be noticed that level of investments depend on duration of stay abroad. Migrant workers who stayed in abroad five years or more than five years have a positive impact on investment. Majority of the migrants, who had been abroad for duration below five years, had utilized their remittance income for consumable goods, paying debts and other emergency requirements. In my sample, only few migrant workers have invested their money, but they all now settle in Sri Lanka. They had been collecting money when they are working abroad; settle in Sri Lanka and invest their money for different areas such as micro level businesses. Therefore, more investments could be seen after migrant worker permanently settle. More than 30 percent of migrant workers stayed in abroad to recover their children's education fees. In addition, health was other important thing which they had allocated a part of remittance income. It proves that health and education are priority concern on the area of investment.

Cost of migration was at comparatively higher level. These costs included the agent's fee, the visa and the air ticket. Sometimes this cost pay by the employers. Other hand, this high cost affect to decreased workers' profitable. Then migrant worker has to collect his/her several month's salary to recover this cost of migration. In this study, it has pointed out cost of migration as well as methods of financing the

cost before migration. Other important factor is method of transferring the remittances. The selection of money transferring method is depending on their education level. Compare with uneducated migrants, almost all educated migrants have been used formal channels such as banking services to transfer money.

As an overall, the most important fact is remittances have supported to escape the poverty and improve the ability of the households to increase expenditures. On the other hand remittances affect to increase the overall economic status of the migrants and their households.

6.2 Recommendation

Migration and remittances is a broad area for government authorities to develop their strategies and policies in order to obtain the optimum outcomes of remittances income while achieving a sustainable improvement of migrant's social and economical status. With the completion of this study, a series of recommendations can be presented to increase the productivity as well as quality of migration & remittances.

As per the discussions with respondents, it could be understand that many of them do not have an idea of how to invest money in safer way. Specially, migration workers on labour categories and housemaid are now much aware of scheduling their expenses to match with the income and methods of savings. Some workers had started business but most probably it was not profitable due to lack of knowledge in managing finance and business. Therefore, I propose to introduce to deliver a seminars, awareness sessions on how to investment their money in productive ways. This can be set up on divisional level through divisional secretaries and officers at village level (GS). It is more beneficial to emphasize the importance of introducing small scale business or self business at the beginning and how to develop the business while managing the remittance income in proper way. Mean while, it shall be important to give some advising services for household members on how to spend migrant worker's money in productive way.

Overseas migration is effective tools for poverty reduction. Sri Lankan government can spread their facilities and infrastructure for the rural area also. For this, government can open SLBFE branches and increase institutional agencies for who are willing to go for foreign job opportunities. It might important to distribute some form of hand outs and mini books to learn about the migration process.

Concerning the total number of migrant workers, percentage of unskilled labours is much higher, but salary ranges for unskilled labours are very low. Therefore government agencies can identify the abilities of unskilled labours and train them in different range of skilled professions such as masons, carpenters, pipe fitters...etc, who are having a considerable demand on Middle East and other migration destinations. Both government and private sector agencies should set up on rural areas also. Accordingly, people will get more interest to find out jobs through the agencies and no want to attend Colombo for agencies. Similarly, the proposed local branches of SLBFE can manage the upcoming agencies t rural level.

One of the main recommendations is to increase the traceability of records of migrant workers. For this, all the migrants workers should be registered with SLBFE before migration and renew the registration in every two years as practicing currently. The government has to make a policy to register all overseas workers to register with SLBFE. One hand it will important to certify security of the worker and other hand they will get lot of outcomes such as Insurance schemes, lower interest rate loan facilities, scholarships for overseas workers children, and health care services.

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Appendix

Questionnaire form for the effect of private remittance on household income

Selected area : Kalutara divisional secretariat, Colombo divisional secretariat of Western Province, Sri Lanka (2002 – 2012)

Basic information

1.0 Gender:

(a) Male

(b) Female

2.0 Marital Status: (Text Code)

(a) Unmarried

(b) Married

(c) Widow/Widower

(d) Divorced

(e) Separated (but not divorced)

3.0 Age (in years)

Under 20

Between 20 -30

Between 30- 40

Between 40-50

Over 50

4.0 Education

Below Primary level

Primary (up to GCE O/L or equivalent)

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- Secondary (GCE A/L or equivalent)
- Technical education (Technical college/ vocational training...etc)
- University Education (Degree level)
- Post graduate studies (Masters, PHD, Doctorate...etc)

5.0 Occupation Status (**Current Working Status**)

- Professional
- Clerical
- Skilled
- Unskilled
- Housemaid

6.0 Country of Present Migration.....

7.0 How many people live in your household?

8.0 Have you got children who currently schooling?

- Yes (Answer Question 9)
- No
- Not schooling due to other reasons

9.0 Details of schooling children (*Only applicable if answer is "Yes" for Question 8*)

Description	Child 1	Child 2	Child 3	Child 4	Child 5
(a) Age of children in years					
(b) Weight of Children in					

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Kilograms					
(c) Expenditure for tuition in SLRS					
(d) Current Enrolments in SLRS					

10.0 Number of years of migration (in years)

11.0 what is the reason for your migration?

Due to poverty	
To earn money for house construction and modifications	
Unemployment in Sri Lanka (mismatch education and job)	
For education of children and higher education of migrant worker	
To earn money for start a business or buy a land	
To earn money for marriages and children's dowry	
To settle loan (to repay debt)	
To live in a develop country with high socio economic condition	
Unsatisfactory income in Sri Lanka	

12.0 How often do you communicate with your relative or friend who sends you money?

- Daily
- Once a week
- Once a fortnight
- Once a month
- A few times a year
- Almost never
- Don't know/ no answer

13.0 Frequency of remittances in the past 12 months

- (a) Monthly
- (b) Every two Month
- (c) Quarterly
- (d) Half-yearly
- (e) Annually

14.0 Quality of Residence

- (a) Luxurious
- (b) Very Good (Two Bedrooms, attached bathroom, concrete roof)
- (c) Good (One Bedroom, brick/cement walls, concrete or tile roof)
- (d) Poor (un-plastered Brick walls, cement floors, tin or asbestos roof)
- (e) Line room

15.0 Do you own any other Land/ House/ Property?

- (a) Yes
- (b) No

16.0 Details of owned properties (*Only applicable if answer is "Yes" for Question 15*)

- (a) Type of property (Land, House, commercial properties... etc :
.....
- (b) Area (in square feet)
.....
- (c) Total Value of Residence (in SLRS)
.....

Household income and consumption details

17.0 Household Income Sources monthly and annual before migrant and after (in SLRS)

Item	Before Migration		After Migration	
	Monthly	Annually	Monthly	Annually
(a) Total Salary Income				
(b) Total Business Income				
(c) Total Farm / Crop Income				
(d) Total Other Income				
(e) Total Remittances Received from abroad				
Remarks....				

18.0 Financial Assets (in SLRS)

Total amount in the A/c includes current A/c, saving A/c, term deposit, fixed deposit, etcSLRS.

Total amount in any other financial assets not included above such as shares/ debentures etc.....SLRS.....

19.0 Household Consumption before migrant / after migrant (in SLRS)

Item	Before Migration		After Migration	
	Monthly	Yearly	Monthly	Yearly
What is your average monthly expenditure for food?				
Average Monthly Housing Expenses: including rent/repayment of housing loans or mortgages, etc				
What is the average monthly expenditure for education for the entire household?				
Average Monthly Miscellaneous Expenses (<i>other than A, B & C above</i>)				

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<i>and E, F & G below)</i>				
What is the average household expenditure on durable and consumer goods for the year? Like TV, FRIDGE, electronic Goods etc.				
What is the average annual expenditure for health expenses for all household members?				
Investment Expenditures: Including land, own business, shares. etc.				

20.0 Modes of Sending Remittances

Modes of Sending Remittances from abroad	Person 1	Person 2
(a) Direct Credit to NR Accounts		
(b) Demand Draft		
(c) Internet based Money Transfer Service		
(d) Other Money Transfer Service (WUMT)		
(e) Family Member Brings Funds (Cash)		
(f) Friends / Other Relatives (Cash)		
(g) International Debit/Credit cards		

21.0 What is the nature of investment?

- House construction and modifications
- Start a new business
- Emergencies
- Saved money
- Health and education
- To buy new vehicle or land

20.0 General Comments/ Suggestions.....

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