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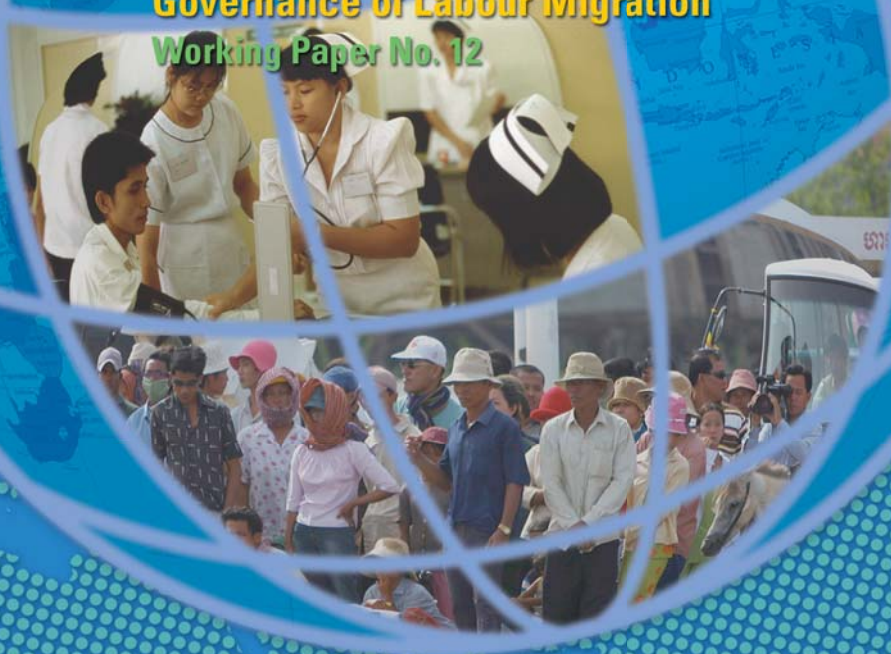
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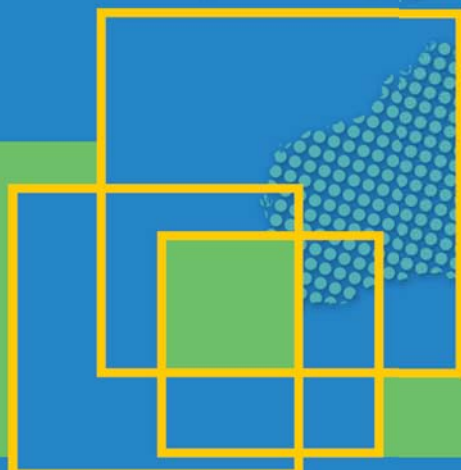
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Best Practices in Social Insurance for Migrant Workers: The Case of Sri Lanka

Teresita del Rosario

**Regional Office for Asia and the Pacific
March 2008**



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BEST PRACTICES IN SOCIAL INSURANCE FOR MIGRANT WORKERS: THE CASE OF SRI LANKA

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BEST PRACTICES IN SOCIAL INSURANCE FOR MIGRANT WORKERS: THE CASE OF SRI LANKA

Teresita del Rosario

1. Introduction

The globalization of the labor market has by now become conventional wisdom. The increasing mobility of labor worldwide continues to fuel the debate on migration policy and migration reform even while national governments and various international organizations grapple with the risks posed by international labor mobility, particularly the social costs of migration. In this regard, a central concern especially for labor-sending countries is the extent to which they are able to protect their citizens during their employment abroad.

Of central importance are migrants who fall outside the formal employment system and therefore are not captured by organized mechanisms for social protection. With the rapid growth of the informal sector and increased labor market flexibility, migrants experience heightened vulnerabilities. Uncertainties of stable employment, poor working conditions, harassment, health risks, and potential disabilities are just a few of them.

Sri Lanka provides an illustrative case of an attempt within the last several years to respond to the specific needs for social protection of their overseas workers. Social insurance has been provided by government, with supplementation and augmentation to existing schemes. Results of these schemes demonstrate positive benefits for migrants and offer the possibility of serving as a model for other countries which face similar circumstances. However, there are several challenges that need to be addressed in order to further strengthen these measures.

This report highlights the Overseas Workers Welfare Fund (OWWF) with special focus on social insurance schemes that are a permanent feature of the migration process in Sri Lanka. These schemes are intended to provide an array of benefits and services to migrants and their families who have been left behind. They also attempt to address various contingencies faced by migrants during the course of their employment abroad.

A discussion of the history of migration in Sri Lanka including a statistical profile on migrants provide a contextual background for the necessity of introducing social security provisions in managing the migration process.

Information for this study has been obtained through interviews with government officials in Sri Lanka, particularly the Sri Lanka Bureau of Foreign Employment (SLBFE), the State Insurance Corporation, the Migrants Services Center which is a trade union advocating for migrant workers' rights, and several data sources that provide secondary information on social insurance.

2. Sri Lanka: A Migration Profile

Out-migration in Sri Lanka dates back to the decade of the 60s during which time, professionals and academics made up the bulk of migrants destined primarily to North America, Europe, and Australia. During this period, a shift in national language policy away from English limited the opportunities of the professional sector for professional advancement and drove highly trained academics to seek better opportunities abroad. However, the stock of migrants did not substantively alter the local economic situation at home.¹

The oil boom in the Middle East in the 1970s shifted the dynamic of out-migration in Sri Lanka towards a demand for semi-skilled migrants to service the rapidly growing construction industry. In 1978, approximately 45% of the migrating labor population consisted of Sri Lankan workers drafted into the construction business.²

Demand for semi-skilled workers tapered off in the 1980s as construction projects were completed in the Middle East. A new shift occurred in out-migration to coincide with the onset of globalization alongside the specific socio-economic conditions within Sri Lanka. The increasing demand for unskilled or low-skilled labor in the global market, largely in the domestic household sector, coupled with women's entrance into the labor force in Sri Lanka produced a third wave of migrants consisting largely of household maids. The period 1986 – 1996 saw a dramatic increase in overseas female employment, from 24% of total departures in 1986 to nearly 74% in 1996. Conversely, male overseas employment dropped from a high of 76% in 1986 to 27% in 1996. For the period 1997 – 2006, there is a gradual decrease in female departures for overseas employment, with a corresponding increase in male overseas employment. Overall, however, over half of the total number of registered migrants departing for overseas employment still consists of women. This phenomenon has come to be known as the “feminization” of the migration process in Sri Lanka.

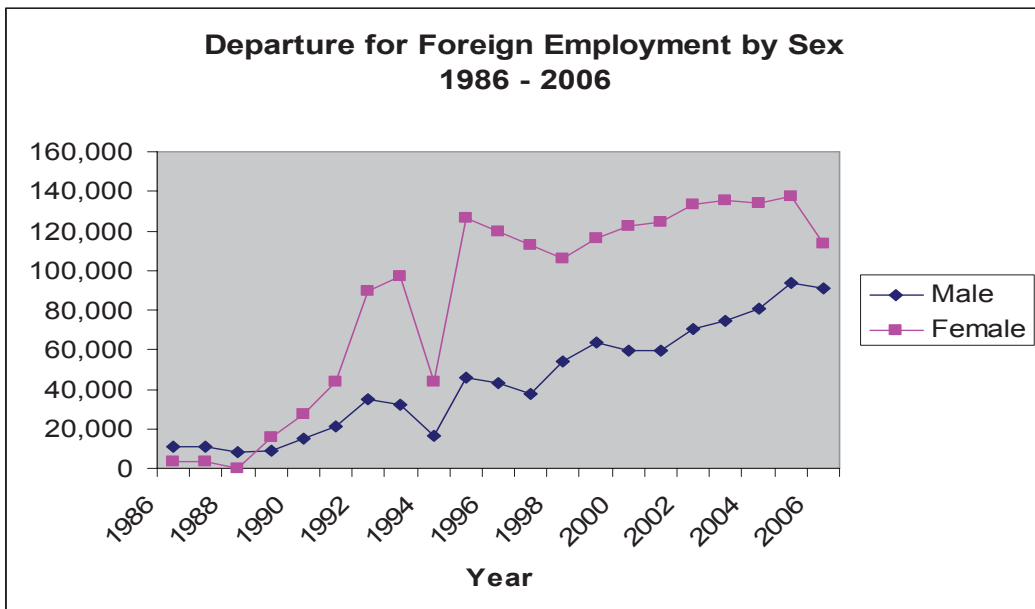
Of equal interest is the overall increase in the total number of Sri Lankans departing for overseas employment over a period of twenty years. The initial figure of 14,456 departing migrants in 1986 jumped to 162,576 in 1996. By 2006, this figure rose to 203,841, representing an almost twenty-fold increase in the number of Sri Lankan migrants leaving for overseas employment. See Figure 1 and Table 1 below.

In terms of manpower levels, the SLBFE reports that an overwhelming majority of Sri Lankan migrants are housemaids, constituting nearly 50% of all departures in 2006. This figure has not changed in the last ten years, with 68% of all female departures in 1996 in the housemaid's category. In contrast, professionals constituted only 0.37% of Sri Lankan migrants in 1996 and increased slightly to 0.79% in 2006. Skilled labor migrants represented 15% in 1996 with a moderate increase to 22% in 2006. See Table 2 below.

¹ Malsiri Dias and Ramani Jayasundere: Sri Lanka: The Anxieties and Opportunities of Out-Migration. In **Migrant Workers and Human Rights. Out-Migration from South Asia**. In Pong-Sul Ahn (ed.) ILO Subregional Office for South Asia. 2004.

² *Ibid.*

Figure 1



**Table 1
Departures for Foreign Employment
1986 - 2006**

Year	Male		Female		TOTAL
	No.	%	No.	%	
1986	11,023	76.25	3,433	23.75	14,456
1987	10,647	75.37	3,480	24.63	14,127
1988	8,309	45.09	10,119	54.91	18,428
1989	8,680	35.11	16,044	64.89	24,724
1990	15,377	36.08	27,248	63.92	42,625
1991	21,423	32.97	43,560	67.03	64,983
1992	34,858	28.00	89,636	72.00	124,494
1993	32,269	25.00	96,807	75.00	129,076
1994	16,377	27.22	43,791	72.78	60,168
1995	46,021	26.68	126,468	73.32	172,489
1996	43,112	26.52	119,464	73.48	162,576
1997	37,552	24.99	112,731	75.01	150,283
1998	53,867	33.71	105,949	66.29	159,816
1999	63,720	35.45	116,015	64.55	179,735
2000	59,793	32.82	122,395	67.18	182,188
2001	59,807	32.50	124,200	67.50	184,007
2002	70,522	34.61	133,251	65.39	203,773
2003	74,508	35.51	135,338	64.49	209,846
2004	80,699	37.59	134,010	62.41	214,709
2005	93,896	40.60	137,394	59.40	231,290
2006*	90,605	44.45	113,326	55.55	203,931

*Provisional
Source: SLBFE

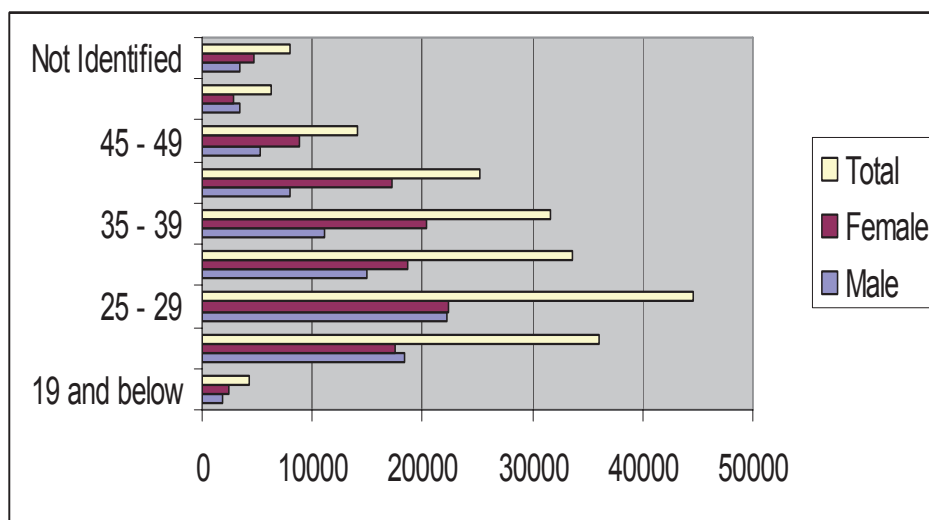
Table 2
Total Departures for Foreign Employment by Manpower Levels
1996 – 2006

Year	Professional		Middle		Clerical and related		Skilled		Unskilled		Housemaid		TOTAL
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
1996	599	0.37	1944	1.20	3371	2.07	24254	14.92	21929	13.49	110479	67.96	162576
1997	573	0.38	1635	1.09	3579	2.38	24502	16.30	20565	13.68	99429	66.16	150283
1998	695	0.43	2823	1.77	4896	3.06	31749	19.87	34304	21.46	85349	53.40	159816
1999	1253	0.70	3161	1.76	6210	3.46	37277	20.74	43771	24.35	88063	49.00	179735
2000	935	0.51	3781	2.08	5825	3.20	36475	20.02	35759	19.63	99413	54.57	182188
2001	1218	0.66	3776	2.05	6015	3.27	36763	19.98	33385	18.14	102850	55.89	184007
2002	1481	0.73	4555	2.24	7239	3.55	45478	22.32	36485	17.90	108535	53.26	203773
2003	1541	0.73	7507	3.58	6779	3.23	47744	22.75	44264	21.09	102011	48.61	209846
2004	1827	0.85	6561	3.06	6679	3.11	45926	21.39	43204	20.12	110512	51.47	214709
2005	1421	0.61	8042	3.48	7742	3.35	46688	20.19	41904	18.12	125493	54.26	231290
2006*	1619	0.79	6665	3.27	7979	3.91	45307	22.23	41143	20.18	101128	49.61	203841

*Provisional
 Source: SLBFE

In the last two years, Sri Lankan migrants falling within the 20 – 39 age range, represented nearly 72% of all migrants, both for men and women. Majority however are within the 25-39 age range. Across all age ranges, women migrants consistently outnumber men. See Figure 2 and Table 3 below.

Figure 2
Departure for Foreign Employment by Age Groups and Sex
2006



Source: SLBFE

Table 3
Departure for Foreign Employment by Age Groups and Sex
2004 – 2006

Age Groups	2004			2005			2006*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
19 and below	1310	3375	4685	416	895	1311	1849	2400	4249
20 – 24	15537	21973	37510	15523	19085	34608	18415	17558	35973
25 – 29	17263	28187	45450	23320	27323	50643	22245	22401	44646
30 – 34	13209	23043	36252	10375	27807	38182	14957	18731	33688
35 – 39	10196	24942	35138	12263	24103	36366	11171	20422	31593
40 – 44	7662	18564	26226	8690	22517	31207	8013	17250	25263
45 – 49	4593	8000	12593	5826	12810	18636	5203	8883	14086
50 and above	2884	2108	4992	3943	4568	8511	3387	2919	6306
Not Identified	8045	3818	11863	7757	4069	11826	3359	4678	8037
Total	80699	134010	214709	93896	137394	231290	90605	113326	203931

*Provisional

Source: SLBFE

As of December 2006, the SLBFE estimates the total stock of Sri Lankans overseas at 1.47 million representing 10% of the country's total population and almost 20% of the total labor force estimated at 7.6 million in 2006. During the period 1992 – 2006, foreign employment as a percentage of the total labor force rose steadily from 7.35% to 19.05%. (see Table 4 below). Official estimates, however, tend to suffer from under-reporting due to a large number of migrants leaving through unauthorized sources and circumvention of registration procedures.

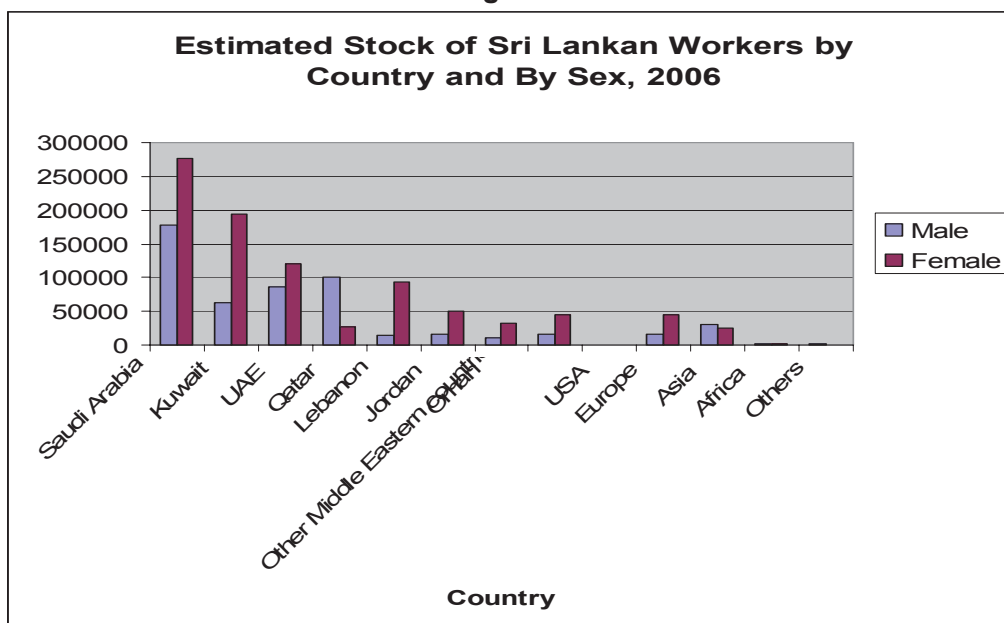
Table 4
Migration for Foreign Employment and Labor Force
1992 - 2006

Year	Labor Force '000 person	Employed '000 person	Foreign Employment	Foreign Employment as a % of total labor force	Foreign Employment as a % of total employment
1992	5,808	4,962	425,000	7.32	8.57
1993	6,032	5,201	460,000	7.63	8.84
1994	6,079	5,281	500,000	8.23	9.47
1995	6,106	5,357	550,000	9.01	10.27
1996	6,242	5,537	600,000	9.61	10.84
1997	6,266	5,608	710,000	11.33	12.66
1998	6,660	6,049	740,000	11.11	12.23
1999	6,673	6,082	785,000	11.76	12.91
2000	6,827	6,310	853,000	12.49	13.52
2001	6,773	6,236	932,500	13.77	14.95
2002	7,145	6,519	970,000	13.58	14.88
2003	7,654	7,013	1,003,600	13.11	14.31
2004	8,061	7,394	1,068,776	13.26	14.45
2005	7,312	7,089	1,221,763	16.71	17.23
2006	7,599	7,105	1,447,707	19.05	20.38

Source: Central Bank Annual Reports 1195 - 2006

Preferred destinations are countries in the Middle East, particularly Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Lebanon. Out of a total of 1.44 million migrants in 2006, nearly 80% of them are located in these five countries. The remaining 20% are distributed to several countries in the Middle East as well as Europe, Asia, and Africa. Except for Qatar, women migrants outnumber men in all countries. A large number of female migrants in Europe are located in Italy. In Asia, they are mostly concentrated in Singapore. See Figure 3 below.

Figure 3



Source: SLBFE

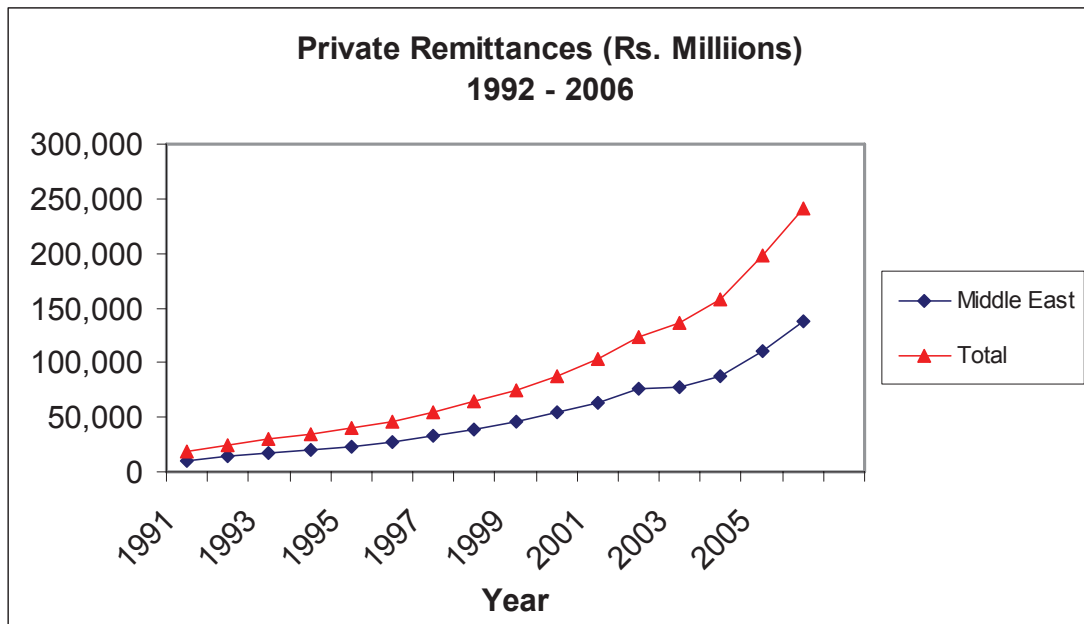
Based on the statistical evidence, an overall migration profile in Sri Lanka suggests a predominantly female workforce within the age range of 20 – 39 to serve as domestic workers and housemaids. Top destinations are the Middle East countries of Saudi Arabia, Kuwait, the UAE, Lebanon and Jordan.

3. Migration Policy and Management

Migration policy in Sri Lanka is best understood within the wider policy framework of the economic policy initiated by the United National Party in 1977 which called for the introduction of private sector participation and market-based reforms. The oil boom in the Middle East spurred Sri Lanka's government to respond to the increased demand for labor which would provide a substantial windfall to Sri Lanka's economy through foreign workers' remittances. In 2002, the contribution of remittances from overseas workers in the Middle East constituted 61.3% of total remittances, and is considered as the biggest source of foreign exchange earnings.³ Total earnings from remittances in 1991 were at Rs18.3 million. In 2006, this figure jumped to Rs241.8 million. See Figure 4 below.

³ *Ibid.*, p. 159

Figure 4



The first of these responses to formalize migration policy was the creation of the Sri Lanka Bureau of Foreign Employment under the purview of the Ministry of Foreign Employment Promotion and Welfare and is classified as a Public Corporation and has clearly articulated a policy of labor export as an institutionalized response to President Mahinda Rajapaksethe's policy priority to promote foreign employment.

The SLBFE was established by an Act of Parliament in 1985 and amended in 1994. It is managed by an eleven-member Board of Directors all of whom are appointed by the Minister of Foreign Employment Promotion and Welfare and consists of seven major departments. It has 24 branches throughout the country.⁴ This law empowers the SLBFE to manage the export of labor through very specific organizational functions, among them, the licensing of employment agencies; data collection on migrant workers; setting of standards and negotiation of employment contracts; and the provision of welfare measures for protection of overseas Sri Lankan workers.⁵

The SLBFE takes overall charge of managing the process of out-migration of all Sri Lankans through a comprehensive registration system required of all migrant workers. This system provides information on all their nationals working overseas, and links them to a social insurance system which is mandatory for all departing migrants. The standard registration form for all migrants is shown as Annex 1.

Apart from the mandatory registration, the SLBFE also functions as a job bank which provides information on overseas employment opportunities, and the procedures that a prospective migrant should follow in order to secure a job placement abroad. The Bureau sends out applications for employment through the post office, in turn, the

⁴ <http://www.slbfe.lk>.

⁵ *Ibid*

General Post Office in Colombo receives all the completed forms and returns these to the SLBFE via email. Finally, the SLBFE coordinates and works with accredited employment agencies.

Management functions of the SLBFE include accreditation, licensing, and overall regulation of employment agencies which are directly responsible for the recruitment and deployment of migrant workers overseas. The SLBFE has an elaborate accreditation process for employment promotion agencies that include procedures for obtaining a license, renewal of license to operate, procedures for change of address, and procedures to obtain approval for a job order (see Annex 2). Moreover, regulation of employment agencies is done through an online posting of all accredited agencies by the SLBFE, and a national awards system for outstanding agencies who have achieved excellence in terms of highest number of skilled employees, best marketing efforts, and widest number of markets. This awards system is meant to promote a “best practices” approach to the employment promotion. To date, there are 582 accredited employment agencies in Sri Lanka.⁶ This figure represents a five-fold increase in the number of agencies over a twenty-year period since the SLBFE started operations in 1985. A limitation of the SLBFE is its lack of prosecutorial power, as well as the high number of migrants who leave the country through illegal means, and therefore fall outside its regulatory function.⁷

The management structure of the SLBFE is shown as Annex 3.

4. A Repertoire of Welfare and Protection Measures

As part of its regulatory function, the SLBFE has initiated and implemented a series of welfare measures to protect and promote migrants from abuse during the course of their overseas employment. A discussion of each of these measures follows below.

Pre-Departure Training. Pre-departure training is a mandatory requirement for all prospective migrants. A training certificate is awarded to migrants who have completed this process, and is submitted to the SLBFE along with their registration. Training covers a range of topics including language skills (primarily English and Arabic), home management, and cultural adjustment. Majority of migrants who receive training are female workers destined for the Middle East countries to work as housemaids. The SLBFE has 29 training centers all over the country.⁸

Training is also provided by some of the licensed agencies who provide these services alongside the provision and facilitation of logistical arrangements to prospective overseas employees.

Skills Improvement. To be consistent with the mission of the Ministry of Foreign Employment Promotion and Welfare to upgrade the skills of Sri Lankan migrant workers, the SLBFE launched a joint program with the Tertiary Vocational Education Commission. This program is an outgrowth of Sri Lanka’s concern about the predominance of female

⁶ <http://www.slbfe.lk>

⁷ Dias and Jayasundere, *Ibid.*, p.160

⁸ *Ibid.*, p. 162

migrants employed as housemaids abroad. Also, the Ministry of Foreign Employment Promotion and Welfare recently launched the JobsNet system (www.jobsnet.lk) as a “job matching” service that provides “globally employable and competitive human capital” to both foreign and domestic employers.⁹

Model Contracts and Contracts Enforcement. The issuance of model contracts by the SLBFE is used as a benchmark for employment agencies to ensure that conditions of work for Sri Lankan migrants are upheld. (See Annex 4). Further, the Sri Lankan government has entered into bilateral agreements to enforce contract agreements. A bilateral agreement has been signed with Jordan, and a Memorandum of Understanding has been signed with South Korea under the Employment Permit System. Preliminary arrangements have been undertaken with Lebanon.¹⁰

Appointment of Labor Attaches and Welfare Officers. The deployment of labor attaches and welfare officers to the Sri Lankan missions mostly in the Middle East countries is an additional protection measure for overseas migrants. These government officials serve as “focal points” for migrant welfare issues and are posted in the countries of Kuwait, Qatar, UAE, Saudi Arabia, Lebanon, Singapore and Jordan where majority of migrant workers, predominantly female, are located.

The Overseas Workers Welfare Fund. Among the various objectives of the SBLFE is the establishment of the Overseas Workers Welfare Fund (OWWF). The Fund also possibly represents the most significant social protection measure for migrants, insofar as it attempts to provide a comprehensive system for migrants’ welfare.

Under the existing law, the SLBFE is tasked to manage and administer the fund. Unlike the Philippine case of the Overseas Workers Welfare Administration (OWWA) which is a separate organization that has exclusive fiduciary responsibility for administering the welfare fund for migrant Filipino workers,¹¹ the SLBFE has total responsibility for all aspects related to overseas employment and social protection for migrants. This gives the Bureau a very broad set of powers and plenty of organizational leeway to undertake expenditures within the overall catch phrase “all expenses in providing assistance to overseas workers.”

Also, the management structure of the SLBFE provides it with few external oversight functions and it is without adequate representation from migrant associations. The Philippine case serves as a good governance model through representative bodies from overseas Filipino workers (OFWs) which awards one representative each to sea-based OFWs, land-based OFWs, and a women’s sector representative. The eleven-member Board of Directors in the SLBFE awards four seats to licensed employment agencies, and the remaining seven seats are occupied by government officials all of whom are appointed by the Ministry of Labor in consultations with key ministries. There is one representative for the women’s sector.

⁹ Migration News. Vol. 14 No. 3. July 2007

¹⁰ Preparatory Meeting. Progress in Implementation of the Recommendations of the Manila Ministerial Meeting. International Organization of Migration. 2004

¹¹ See Neil G. Ruiz and Dovelyn Rannvieg Aguas, Protecting Overseas Workers: Lessons and Cautions from the Philippines. Migration Policy Institute. September 2007

Based on interviews with key officials at the SLBFE, the need for a welfare fund for migrants rose out of a long welfare tradition in Sri Lanka which provides universal insurance cover for all its citizens. However, migrant workers were exempt from this benefit. In the ensuing years particularly during the upswing of migrants' departure for overseas employment, coupled with the increase in foreign remittances from migrant workers and a high level articulation of labor export policy, the SLBFE acquired a more proactive stance in providing various social protection measures financed from the OWWF. Further, reports of abuses and exploitation particularly among housemaids prompted the Sri Lankan government to institute mechanisms for prevention and redress of grievances.

A pattern of complaints over a four-year period (2003 – 2006) reveals a higher frequency of complaints from women over men. Tables 5 and 6 below show the number of complaints filed by sex. In 2006, a high percentage of complaints was reported by unskilled female labor (7.9%) and housemaids (7.6%). Among males, the highest percentage of complaints came from the skilled category, and this was consistent over the four-year period. A big number of complaints comes from Saudi Arabia and is consistently higher among female workers. Interestingly, there is a comparatively low number of complaints from Singapore and South Korea, and a higher number of complaints from migrant men in Maldives. Also, an unusually high number of complaints (899) was received from male migrants in Malaysia in 2006 (Table 7). These pattern breaks in the statistical data is interesting for further research.

Table 5
Complaints Received from Male Migrant Workers by Manpower Levels
As a Percentage of Departures
2003 – 2006

Manpower Level	2003			2004			2005			2006*		
	D	C	%	D	C	%	D	C	%	D	C	%
Professional	1410	12	0.85	1722	3	0.17	1324	15	1.13	1522	25	1.64
Middle Level	5281	53	1.00	5388	43	0.80	7150	54	0.76	5901	40	0.68
Clerical and Related	5342	37	0.69	5830	30	0.51	6988	58	0.83	7069	55	0.78
Skilled	31638	767	2.42	33947	641	1.89	39882	948	2.38	38973	1251	3.21
Unskilled	30837	628	2.04	33812	530	1.57	38552	700	1.82	37140	1031	2.78
Total	74508	1497	2.01	80699	1247	1.55	93896	1775	1.89	90605	2402	2.65

*Provisional

Source: SLBFE Conciliation Division
SLBFE Information Technology Division

Table 6
Complaints Received from Female Migrant Workers by Manpower Levels
As a Percentage of Departures
2003 – 2006

Manpower Level	2003			2004			2005			2006*		
	D	C	%	D	C	%	D	C	%	D	C	%
Professional	131	2	1.53	105	2	1.90	97	5	5.15	97	4	4.12
Middle Level	2226	17	0.76	1173	80	6.82	892	42	4.71	764	23	3.01
Clerical and Related	1437	28	1.95	849	45	5.30	754	41	5.44	910	15	1.65
Skilled	16106	508	3.15	11979	547	4.57	6806	599	8.80	6334	410	6.47
Unskilled	13427	381	2.84	9392	483	5.14	3352	376	11.22	4003	314	7.84
Housemaid	102011	5539	5.43	110512	5949	5.38	125493	6890	5.49	101128	7661	7.58
Total	135338	6475	4.78	134010	7106	5.30	137394	7953	5.79	113236	8427	7.44

*Provisional

Source: SLBFE Conciliation Division

SLBFE Information Technology Division

Table 7
Complaints Received by Country and Sex
2003 – 2006

Country	2003			2004			2005			2006*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Saudi Arabia	548	2966	3514	402	3315	3717	469	3687	4156	407	3829	4236
UAE	210	519	729	137	484	621	144	665	809	186	539	725
Bahrain	10	90	100	5	70	75	4	104	108	1	97	98
Oman	4	67	71	7	69	76	6	57	63	9	47	56
Kuwait	80	1138	1218	67	1187	1254	52	1259	1311	61	1361	1422
Qatar	483	102	585	448	130	578	623	128	751	461	148	609
Jordan	12	506	518	14	591	605	42	648	690	26	787	813
Singapore	0	30	30	1	14	15	-	32	32	-	14	14
Lebanon	3	867	870	3	990	993	2	1292	1294	5	1365	1370
Cyprus	13	35	48	5	18	23	8	13	21	1	20	21
Malaysia	1	16	17	3	14	17	44	21	65	899	82	981
South Korea	0	-	-	-	-	-	-	-	-	69	10	79
Maldives	26	5	31	26	5	31	57	1	58	63	2	65
Others	14	11	25	129	219	348	423	149	572	214	126	340
Total	1404	6352	7756	1247	7106	8353	1874	8056	9930	2402	8427	10829

*Provisional

Source: SLBFE Conciliation Division

SLBFE Information Technology Division

The most often cited complaint for both men and women migrants is in the non-payment of agreed wages. This pattern is evident throughout the four-year period. This is followed by lack of communication, although there should be further interest in identifying the precise components of this complaint. Harassment (physical and sexual) is consistently very high among women migrants, as is often the case for unskilled female labor and housemaids. Problems in their home countries are cited most often by

women migrants, and are almost negligible among males. The dual burden imposed on women migrants is a recurring feature in most labor-sending countries. Of interest is the high number of complaints for breach of contract employment among males compared to females. Also, the number of deaths, whether due to natural or other causes, is a far lower figure compared to non-payment of wages, breach of employment contract, and harassment. This has definite implications on the coverage of insurance scheme for migrant workers.

In terms of settling complaints paid out of the welfare fund, the SLBFE seems to respond favorably as shown in its record over the years 1994 – 2006 (Figure 5). Out of a total of 101,292 complaints filed over the 12-year period, 73,530 cases have been settled. The total amount of compensation paid was 72,124,892 Rs. (approx. USD660,000 using current exchange rates). This table also shows an increasingly favorable response over the years in settlement of complaints. This is evident in the trendline shown below in Figure 5.

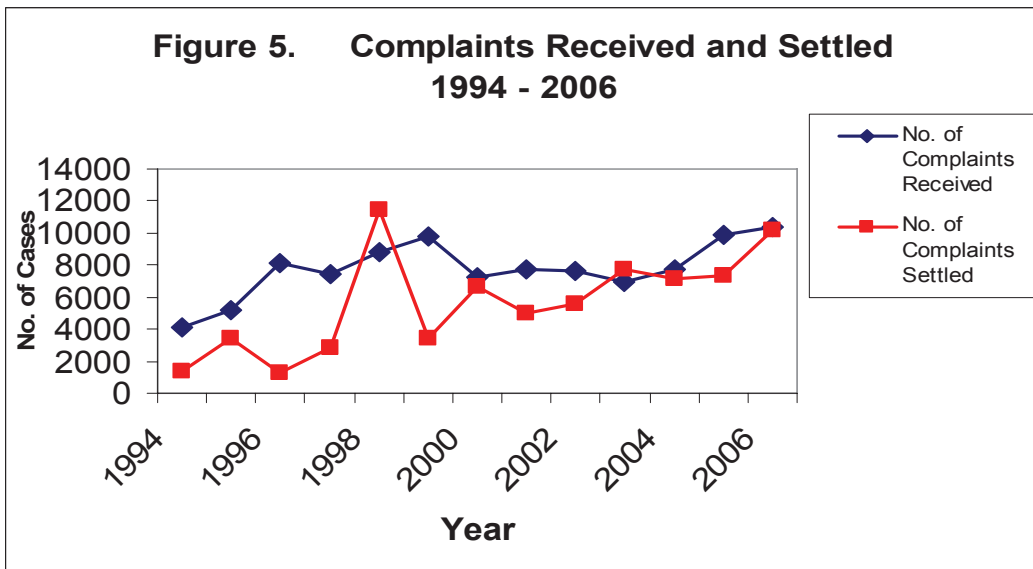


Table 8
Complaints Received by Nature and Sex
2003 - 2006

Nature of Complaint	2003			2004			2005			2006*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Non Payment of Agreed Wages	270	1498	1768	150	1476	1626	132	1577	1709	454	1535	1989
Lack of Communication	93	2065	2158	87	2078	2165	78	1677	1755	109	2402	2511
Sickness	35	435	470	51	559	610	78	575	653	78	584	662
Harassment (Physical and Sexual)	56	1358	1414	78	1675	1753	142	1807	1949	104	1662	1766
Death – Natural	49	78	127	73	80	153	55	60	115	100	72	172
Death – Accidental	40	23	63	43	32	75	38	24	62	59	18	77
Death – Homicide	1	3	4	3	5	8	1	3	4	-	1	1
Death – Suicide	4	19	23	3	6	9	5	17	22	3	4	7
Death – Due to Lebanon War	-	-	-	-	-	-	-	-	-	-	6	6
Not sent back after Completion of Contract	11	151	162	15	191	206	44	667	711	36	689	725
Stranded – Lack of reception on arrival	-	21	21	-	13	13	2	33	35	-	-	-
Problem at Home (Sri Lanka)	7	163	170	13	330	343	33	483	516	25	497	522
Breach of Employment Contract	877	425	1302	695	449	1144	1137	655	1792	838	314	1152
Stranded without Employment	1	7	8	-	13	13	112	429	541	562	498	1060
Premature Termination	1	1	2	-	-	-	1	-	1	-	-	-
Illegal Money Transaction	51	41	92	5	76	81	-	1	1	-	1	1
Others (Domestic Sector)	0	185	185	11	120	131	1	22	23	17	75	92
Others (Non-Domestic Sector)	1	2	3	20	3	23	14	26	40	10	-	10
Not Identified	-	-	-	-	-	-	1	-	1	-	69	76
Total	1497	6475	7972	1247	7106	8353	1874	8056	9930	2402	8429	10829

To further appreciate the efficacy of social protection measures for migrant workers, it is suggested that the statistics on complaints be viewed against the total number of migrants. In 2006, the total number of complaints was 10,829 cases (Table 8). The number of migrants for the same year was 203,841 (see Table 1). Relative to the total number of migrants, the percentage of cases filed would be 5%. In 2005, this figure drops to 3% with 8,429 cases filed as compared to 231,290 migrants. When compared to the total population of 1.47 million overseas migrants, the total number of cases filed in 2006 would only be 0.7%.

These figures, however, should be appreciated within several contextual features. Firstly, cases filed do not necessarily represent an accurate figure, especially where complaints are sensitive and therefore go unreported (e.g., rape, sexual harassment, etc.) Secondly, the process of filing these cases is not clear. Do migrants report these complaints upon their return? If so, how about cases that remain unreported due to time lapses? How about cases of multiple abuses? How are they reported? Is it assumed that one complaint coincides with one reporting migrant? Lastly, if complaints arise consistently within the unskilled and housemaids category for all countries over a four-year period (see Table 8), is it then possible to push the analysis beyond descriptive statistics and undertake correlation studies that would establish a more causal connection among several variables, e.g., gender, level of manpower, country, nature of complaint? In this respect, a more definitive argument can be made for establishing a more sensitized approach to social protection. However, this would require more systematic in-depth surveys that would span a longer period of analytical study.

5. Services Offered by the Fund.

Insurance Scheme. Launched in October 1994, the social insurance scheme for migrants covers all registered workers and their families. The Sri Lanka Insurance Corporation Limited currently channels all insurance claims for both migrants and non-migrants. As of this writing, however, a new tender has been announced by the SLBFE for a competitive process to enlist a new organization for managing the social insurance claims of migrant workers. A standard insurance policy for migrant workers is shown as Annex 5.

Registration is mandatory for all workers and anyone caught at the airport without having registered with the SLBFE is liable for imprisonment. Registered workers pay Rs.2,500 plus an additional Rs.200 (approx. US\$2) facilitation fee, although other reports put the figure as variable, depending on the prospective salary of the migrant.¹² This amount could go up to Rs.5000. Seventy percent of this amount is turned over to licensed agencies for processing of visas, air tickets, information and training programs and other related services. The remaining 30% is credited to the account of the SLBFE. This amount funds the insurance scheme. Other welfare schemes provided by the Bureau comes out of a separate welfare budget.¹³

¹² Andrea Gallina. Migration and Development Linkage in Sri Lanka: A Post-Tsunami and Civil Conflict Approach. Background Country Report for the European Commission DG AIDCO Research Report February 2007

¹³ Interview with Mr. Kinsley Ranakawa, SBLFE Chairman

Insurance benefits include compensation to the family in case of death (about US\$10,000), compensation for total disablement (US\$5,000), partial disablement (about US\$1,000) and about US\$2,500 for travel expenses.¹⁴

Table 9 below provides data on insurance compensation payments over the period 1995 – 2006. The total number of beneficiaries during this period is 66,512 --- a very small number compared to the total number of registered migrant workers overseas (1.47 million). Premiums collected over this period amounted to over Rs.1.17 billion, while benefits that were paid out amounted to Rs.863 million. A cursory reading of these figures suggest that the insurance scheme is adequate to cover claims and the fees collected from migrants is sufficient.

Data from the Sri Lanka Insurance Corporation however suggests a different picture. According to a consultant¹⁵ currently employed by the insurance company, the amount of claims far exceed the premiums paid by migrants. During the month of May, the premium income of the corporation was Rs.7.9 million, but the amounts paid out to claimants totaled Rs.9.3 million (see Table 10 below). Also, there is a very small number of claims that are rejected (e.g., 19 claims rejected out of 386 claims received in May 2007). However, there is a big number of outstanding claims in 2007, suggesting perhaps a lengthy process of filing claims and receiving payments. According to the corporation, processing time takes an average of three weeks only.

The corporation is currently undergoing a restructuring after a decision to privatize the company in 2003. Thus the profit objective of the company is a paramount concern. Further, since SLBFE makes the final decisions on the approval of migrant's claims, the corporation has little authority over payments. The consultant considers this service to migrants as "corporate social responsibility" rather than a profit-oriented business. He believes that the recent tendering process opens the opportunities for other insurance companies to negotiate for better terms with the SLBFE.

Table 9
Insurance Compensation Payments
1995 – 2006

Year	No. of Beneficiaries	Amount Paid (Rs)	Premium Paid
1995	720	11,888,506	58,800,036
1996	4521	58,389,666	90,257,461
1997	3845	46,879,621	75,398,440
1998	4662	57,773,865	76,835,000
1999	6659	81,164,886	88,993,400
2000	9171	88,916,437	92,423,800
2001	5998	61,658,338	106,174,649
2002	7304	78,812,442	116,986,220
2003	7531	80,526,134	133,175,777
2004	5000	52,562,832	101,233,500
2005	5595	112,465,636	127,266,600
2006	5506	132,718,615	110,500,075
Total	66512	863,756,978	1,178,044,958

¹⁴ Gallina, *Ibid.*

¹⁵ Name withheld upon request

Table 10
Preliminary Data on Insurance Claims
Jan – Oct 2007

Month	No. of Claims Received	No. of Claims Paid	Amount Paid (Rs.)	Premium Income (Rs.)	No. of Claims Outstanding	No. of Claims Rejected
January	522	381	12,327,434	9,097,305	906	56
February	365	339	9,038,655	9,562,300	826	27
March	489	478	16,781,601	8,456,700	889	63
April	354	334	8,060,809	n/a	847	19
May	386	269	9,246,221	7,900,400	681	19
June	500	384	10,746,278	11,270,600	723	49
July	n/a	n/a	n/a	n/a	n/a	n/a
August	n/a	n/a	n/a	na	n/a	n/a
September	421	348	11,074,348	n/a	779	52
October	371	311	8,675,642	n/a	814	54

Source: adapted from data provided by the Sri Lanka National Insurance Company Limited

A further issue has to do with coverage for migrants while they are working abroad. All migrants are covered for a period of two years and takes effect immediately upon registration. However, they are only able to enjoy the benefits of their insurance upon returning to Sri Lanka, and with stipulations that limit most benefits within six months of their return. Many migrants extend their contracts beyond the two years without returning to their home countries. Upon contract extension, there is no longer any registration fee paid to the SLBFE, thus they lose their insurance coverage.

This prominent feature of the migration process prompted the Sri Lankan government to initiate a separate bilateral agreement with the Jordanian government. According to the acting Minister of the Ministry of Foreign Employment Promotion and Welfare, a Jordanian insurance company will make available full insurance coverage to Sri Lankan migrant workers for the duration of their employment in Jordan. As of this writing, the agreement has not been finalized and negotiations are ongoing for the fine-tuning of specific features in the insurance policy. Depending on the outcome of the agreement, other countries will follow suit. A Memorandum of Understanding has been signed with Kuwait which will be the basis of adopting a similar agreement for insurance cover for Sri Lankan migrant workers in Kuwait.

Admittedly, the coverage of the insurance policy for migrants follows standard global practice. However, there is little room within the policy to address various contingencies faced by migrants during the course of the employment overseas. Based on complaints filed by migrants to the SLBFE, the most common are in the areas of non-payment of wages, breach of contract, and harassment (see Table 8). The insurance policy covers death, disability, and sickness. Over a period of three years, the number of deaths as a source of complaint among men and women migrants was 4,113 cases. This figure takes the cumulative total for all reported deaths for the years 2003- 2006 for both male and female migrants. In 2005 - 2006, the number tapered down to 584 and 379 deaths respectively. Table 11 below provides details on reported deaths of migrant workers from all countries for the period 2003 – 2006. In contrast, the reported total cases of non-payment of wages were 6,638 cases during the same period. There were 5,392 cases of breach of contract and this burden is shared equally by both men and

women migrants. In 2005 – 2006, the number of cases involving breach of contract increased to 1,792 and 1,152 cases.

Table 11
Reported Deaths of Migrant Workers
2003 – 2006

Country	2003	2004	2005	2006*	TOTAL
Saudi Arabia	683	762	400	41	1886
Lebanon	223	126	19	11	379
Kuwait	809	302	153	202	1466
UAE	70	20	8	-	98
Jordan	145	11	-	1	157
Malaysia	1	-	-	111	112
Maldives	-	-	-	1	1
Qatar	3	-	-	-	3
Oman	2	-	-	3	5
Singapore	-	-	4	2	6
Egypt	1	-	-	-	-
Total	1,937	1233	584	379	4113

*Provisional

Source: adapted from Foreign Relations Division, SLBFE

A final concern in social insurance schemes has to do with pensions and old-age security especially for migrants whose long careers have been spent overseas. To date, there is no pension scheme for migrants. In consideration of their substantial contribution to the Sri Lankan economy, there should be an initiative to put into place a pension scheme that is available to them after a certain period of service overseas. A complementary scheme might likewise include a forced savings scheme that includes a matching contribution by government. However, the feasibility of raising premium contributions especially among older migrant workers needs to be studied more closely. A further suggestion might also include a “graduated” contribution among migrant workers, with increasing contributions for older migrants, those, for example, in the 40 and above age category.

Interviews with two returning migrants indicated this as an important concern. A formal study of 100 migrant women revealed that despite repeat migration and relatively higher earnings, 78% of migrant workers have no savings. Only 4% of migrants invested in income generating activities, whereas the remainder remitted almost all their earnings towards consumption needs of their families. This situation seems consistent across countries whose major source of export labor is in the unskilled labor and housemaids’ categories.¹⁶ Upon their return to Sri Lanka, they are not assured of any immediate employment, nor do they have any savings accumulated. Investment opportunities are almost non-existent. Most migrant returnees have spent their incomes on immediate consumption needs of their family and next of kin. Meanwhile, their own future has remained unsecured and financially uncertain. Both interviewees expressed a willingness to make contributions to a scheme that reassures them of long-term security.

¹⁶ Lalani Kanti Yapa, “The Decision Making Process of International Labour Migration with special reference to the Sri Lankan Housemaid,” Colombo 1995, in Malsiri Dias and Ramani Jayasundere, *op.cit.*, p. 174

Scholarship Schemes. The welfare fund awards scholarships to children of migrants --- a service that began in 1996. The scheme awarded 157 scholarships to Grade 5 students then gradually expanded to 497 students in 2003. Grant per scholar was approximately US\$155. Grants were also awarded to students under the General Certificate Education Ordinary Level (GCE-O) and General Certificate Advanced (GC) level to qualify for university education.¹⁷ To date, a total of 13,615 scholarships have been granted to children of migrant workers, with a total amount of Rs.260,210,000. See Table 12 below.

Table 12
Scholarships Granted to Children of Migrant Workers
1996 – 2006

Year	No. of Scholarships Granted	Cost (Rs.)
1996	157	1,570,000
1997	185	1,850,000
1998	308	3,080,000
1999	1,369	25,285,000
2000	980	19,200,000
2001	2,115	40,945,000
2002	1,594	31,335,000
2003	1,685	33,410,000
2004	1,554	30,460,000
2005	1,761	34,655,000
2006*	1,907	38,420,000
Total	13,615	260,210,000

*Provisional

Source: Welfare Division, SLBFE

Loan Schemes. In 2002, the SLBFE launched a series of loan products to migrant workers which respond to a set of needs, namely, pre-departure expenses, self-employment and housing. These are additional measures to protect the migrant against falling prey to loan sharks, particularly for migrants who need to defray pre-departure costs. In addition, loan products are meant to encourage investment through entrepreneurial activities especially for returning migrants.

An array of credit schemes is offered by the People's Bank. The first scheme, *Siyatha*, is for returnees from the war-torn Gulf countries. Credit lines are up to Rs250,000 with 16% interest rates and are meant for housing, land purchase, and self-employment activities. The second and third schemes, *Ransaviya* and *Videshika* loans, are for pre-migration and post-migration expenses. Amounts vary. Pre-migration expenses are up to Rs.50,000 and post-migration expenses range from Rs.300,000 for self-employment and Rs.500,000 for housing. SLBFE subsidizes the interest rates ranging from 7 – 16%.¹⁸ The availment of these loans is very small compared to number of eligible migrants.¹⁹ See Table 13 below.

¹⁷ Edita A. Tan, "Welfare Funds for Migrant Workers: A Comparative Study of Pakistan, the Philippines, and Sri Lanka" In Caroline MacKenzie (ed) *Labor Migration in Asia: Protection of Migrant Workers, Support Services and Enhancing Development Benefits*. Geneva: International Organization of Migration 2005, p. 185

¹⁸ Dias and Jayasundere, *op.cit.*, p. 170

¹⁹ Tan, *Ibid.*

Loans for self-employment are generally meant for migrant returnees who hope to become more financially self-reliant through small enterprise creation. Results have been very discouraging. The necessary skills that should accompany the provision of credit has been lacking, therefore, most migrants did not develop the entrepreneurial know-how to operate the businesses profitably. Many returning migrants were faced with indebtedness from pre-departure expenses and therefore resorted to borrowing to pay off existing debts, or employed a re-migration strategy instead of pursuing reintegration activities. This simply perpetuated a vicious cycle of poverty and re-migration.

Additional problems include lack of information on available loan products, lack of collateral required by the banks, and lack of Non-Resident Foreign Currency (NRFC) which encouraged depositors to take out loans against their foreign deposits.²⁰

Table 13
Details of Ransaviya and Videshika Loans Taken by Migrant Workers

Amount (Rs.)	Ransaviya		Videshika		Total	
	No.	%	No.	%	No.	%
Less than 75,000	4	7.7	-	-	4	4.5
75,000 – 99,999	2	3.8	3	8.3	5	5.7
100,000 – 149,999	7	13.5	9	25	16	18.2
150,000 – 199,999	11	21.2	5	13.9	16	18.2
200,000 – 249,000	8	15.4	3	8.3	11	12.5
250,000 – 259,000	4	7.7	7	19.4	11	12.5
260,000 – 299,999	1	1.9	-	-	1	1.1
300,000 – 499,999	14	26.9	6	16.7	20	22.7
500,000	-	-	3	8.3	3	3.5
Amount not known	1	1.9	-	-	-	1.1
Total	52	100	36	100	88	100

Source: Adapted from Women's Research Center

Available data for 2002 reveal that a total of 1,534 migrants availed of loans for pre-departure purposes. This constitutes the majority of migrants in this loan category. Another 67 borrowed for self-employment purposes, and 283 took out housing loans. A total of 1,884 migrants availed of the loan schemes. These findings corroborate the low availment rates of loans in Table 13 above, from a research done by the Women's Research Center.

Pre-departure loans, though numerous, are smaller grants, averaging about US\$500 per grant. In contrast, housing loans are much larger amounts despite the small number of migrants availing of them. The total amounts for housing loans and pre-departure loans are about equal, even if the number of pre-departure loans exceeds housing loans by about three times. These findings reinforce the view that loan schemes respond to migrants' needs for immediate and direct overseas employment purposes rather than for reintegration. The last category of loans constitutes the lowest number and also the smallest amounts.

²⁰ Gallina, *op.cit.*, p.12

Tables 14 and 15 below provides a breakdown of loan availment, number of loan grantees, interest subsidies paid by government, and total amount of per loan category.

Table 14
Availment of Loan Schemes by Source and Category
2002

Loan Source and Category	Maximum Amount Granted	Total Interest	Interest Paid by the Bureau	Number of Loans Granted	Total Amount
“Videsika” Loan (People’s Bank)					
• Housing Loan	Rp250,000 (US\$2,590)	14%	7%	148	Rp29,537,000 (US\$306,019)
• Self-Employment	Rp250,000 (US\$2,590)	14%	7%	63	Rp12,027,000 (US\$124,606)
• Pre-Departure	Rp50,000 (US\$518)	14%	7%	341	Rp8,781,613 (US\$91,044)
Subtotal				552	Rp50,345,613 (US\$522,269)
“Ransaviya” Loan					
• Housing Loan	Rp300,000 (US\$3,108)	16%	8%	135	Rp35,528,960 (US\$368,099)
• Self-Employment	Rp50,000 (US\$518)	16%	8%	4	Rp200,000 (US\$2,072)
• Pre-Departure	Rp50,000 (US\$518)	16%	7%	475	Rp17,461,534 (US\$180,911)
Subtotal				614	Rp53,190,494 (US\$561,082)
“Rata Ituru” Loan (National Savings Bank)					
• Pre-Departure	Rp518,000 (US\$518)	15%	6.5%	718	Rp27,121,921 (US\$280,998)
Subtotal				718	Rp27,121,921 (US\$280,998)
TOTAL				1,884	Rp130,658,028 (US\$1,354,349)

Source: Adapted from SBLFE

Table 15
Summary of Loan Schemes by Loan Category, Loan Amounts and Total Number of Loans, 2002

Loan Category	Loan Amounts (Rupees)		Number of Loans
	Rp	US\$	
Housing	29,537,000	306,019	283
	35,528,960	368,099	
Subtotal	65,065,960	674,118	
Self-Employment	12,027,000	124,606	67
Subtotal	200,000	2,072	
	12,227,000	126,678	
Pre-Departure	8,781,613	91,044	1,534
	17,461,534	180,911	
	27,121,921	280,998	
Subtotal	53,365,068	552,953	
TOTAL	130,658,028	1,353,749	1,884

Source: Adapted from SBLFE

6. Some Lessons and Recommendations

The Sri Lankan experience with social protection provides useful lessons for other countries which face similar circumstances. Lessons that can be drawn from the Sri Lankan case are: 1) complementation of social protection measures rather than a singular package; 2) sensitization of social insurance schemes to specific complaints and contingencies; and 3) institutionalization of social protection measures through expansion of representation in decision-making structures.

6.1. Complementation Measures. The Sri Lankan experience showcases a package of measures that complement one another, with a coordinating mechanism to orchestrate successful and efficient delivery. The SLBFE is vested with a wide-ranging set of powers to achieve this. The welfare fund lies at the core of this package which provides the needed resources to fund various social protection initiatives. It has delivered with relative efficiency an array of measures that attempt to be responsive to migrants' needs.

However, to continue to fund additional protection programs, or to enhance existing ones, the welfare fund needs "beefing up." The Philippine case, for example, demonstrates the need to increase membership fees in order to provide the balance between core and secondary services. Prominent lawyer and advocate Ding Bagasao "Why is OWWA not asking for more than US\$25?"²¹ The same question can certainly be asked of the SLBFE.

²¹ Ruiz and Aguas, *op.cit.*, p. 19

Complementary measures that can be added to the already existing package could conceivably include the following:

- a) enhanced training programs that provide a range of management skills for migrant returnees who have borrowed loans for entrepreneurial activities. This significant initiative by the SLBFE has demonstrated very minimal success, if at all, due to the lack of institutional capacity among lending banks to provide entrepreneurial know-how to prospective borrowers. Similar capacity issues plague migrants who have borrowed loans and are unable to turn these into productive investments. Thus the cycle of poverty and re-migration remains unbroken. While this does not constitute an unwarranted criticism of lending banks nor of the SBLFE, perhaps loan schemes can better serve migrant returnees if banks undertake capacity building programs alongside existing loan schemes, to transform migrant returnees into bankable entrepreneurs. A partnership scheme with organizations outside of banking institutions can certainly be explored. While migrants are not good bets as entrepreneurs and therefore prefer to be wage-workers abroad, the banking system in Sri Lanka can certainly participate in ending this poverty cycle.
- b) provision of legal services to migrants at their workplaces for cases that involve disputes with their employers. These services can be attached to embassies and are made available via networks of information. The rationale for the provision of this added service arises out of the frequent complaints among migrants of breach of contract, harassment, non-payment of salaries, and even communication difficulties. These services will definitely incur additional expenditures.
- c) More vigorous information campaigns for migrants to inform them of their benefits as members of SLBFE, to widen the net of membership and strengthen networks of migrants. Welfare officers attached to overseas missions and embassies are the ideal focal points for sustained information campaigns.

6.2. Sensitization of Insurance Schemes to Specific Complaints. The current social insurance scheme covers death, disability, and sickness. An additional feature of insurance schemes involves migrants who are most vulnerable to diseases, particularly HIV/AIDs. Despite provisions in the insurance policy for benefits extended to migrants who contract severe illnesses in the course of their overseas employment, the practice actually discriminates against them and they are left to their own devices. An additional study on these types of vulnerabilities among migrant workers and the program response via social insurance would be of great value.

Further, migrants would benefit from a pension and/or savings scheme that provides long-term financial security and assists in their capital build-up. This significantly reduces the predominantly consumption orientation of migrants' salaries. It also provides a built-in attraction to migrants to contribute to schemes that have a concrete and direct benefit to them, particularly for those migrants who have been working for many years overseas.

Finally, the repayment schedule of social insurance needs to be re-worked so that migrants who do not return after two years but continue their employment overseas can enjoy insurance coverage. A mechanism lodged at the overseas missions and embassies can be initiated in order to facilitate insurance repayments to non-returning migrants.

6.3. Expansion of Representation to Migrants in Decision-Making Structures.

Effective delivery of products and services is a function of good governance structures. The Board of Trustees at SLBFE is the governance structure that provides direction and guidance to the Management Committee. This structure is currently composed of 11 members, four of which are members of licensed agencies. Presumably, this ensures that recruitment and deployment of migrants is well-regulated. Women's concerns are also represented via one board seat.

Following the Philippine experience, the governance structure of the SLBFE can be further strengthened through the inclusion of representatives from migrant workers. This feature allows migrant workers to share their experiences and articulate their interests. It also provides them with a "voice" that is currently a regular feature of all governance structures which seek to strengthen transparency and accountability mechanisms.

Representation from migrants can be organized according to a combination of criteria: geographical (by deployment) and manpower levels. Since the largest number of workers is deployed to the Middle East, there is an argument for enlisting a representative with extensive Middle East experience. Also, representatives from all manpower levels, especially from the unskilled and semi-skilled levels, would strengthen the governance structure of the SLBFE.

A continuing system of consultations and evaluation of the social protection programs should become a permanent feature of the SLBFE. This not only ensures the effectiveness of the uses of the welfare fund, it also keeps the bureau "in step" with its mandate and its mission. More importantly, these consultative and evaluative mechanisms serve as proactive measures to ensure the integrity of the fund and prevent abuse and misuse of the welfare funds. Given the broad set of powers of the SBLFE, the opportunity for corruption exists. These mechanisms are countervailing structures that reduce and eliminate those opportunities.

7. Conclusion

As the process of globalization deepens, the response of the Sri Lankan labor market will continue to exploit the opportunities opened by globalization. With the current boom in the oil industry in the Middle East, it is expected that the demand for migrant workers will sharply increase. No doubt Sri Lanka will remain one of the major suppliers of labor to these countries. The positive economic results of their labor export policy underscore the viability of an economic growth strategy which utilizes their human resources as leverage in the global arena. Within this particular context, the responsibility of the Sri Lankan government, particularly the SLBFE, to protect their workers, cannot be understated. Institutionalization and strengthening of current social

protection measures will have to take priority, if only to ensure that their migrant labor remains competitive and in high demand.

In this study, emphasis was placed on the products and services of the Overseas Workers' Welfare Fund as the core of the social protection package which the government has put into effect since 1994. While there are several components to this package, the fund demonstrates the reality of resources that are required in order to ensure the effectiveness and relevance of the different social protection measures, and to guarantee their timely delivery to migrant workers. In this respect, the fund has responded fairly efficiently over the years of its operation. However, there are continuing challenges that need to be addressed. Though not insurmountable, these challenges, if unaddressed, will reduce the fund's effectiveness and dilute the otherwise positive impact of social protection thus far.

The fund's most expensive item is the social insurance scheme that is available to every registered migrant. It is comprehensive and conforms to global standards, however, it needs to be augmented by on-site initiatives in order to ensure that migrant workers enjoy their insurance benefits at their place of work and for the duration of their employment. The current initiative of the Sri Lankan government to enlist the services of a Jordanian insurance company to provide insurance cover for all migrants in Jordan is a positive step and constitutes a best practice approach to social protection. This innovation demonstrates the viability of other innovations that can continue to be introduced in order to enhance the efficacy of already existing social protection measures. It goes without saying that studies in support of these initiatives will go a long way towards generating greater responsiveness.

The current deployment of nearly 1.5 million Sri Lankans overseas, or nearly 20% of their total workforce, provides conclusive argument for the need to protect the country's vital assets --- its human resources. By continuing to address the existing deficiencies in the system, Sri Lanka can demonstrate its effectiveness in deploying its strategic resources in the competitive global arena without losing sight of the moral imperative that is embodied in its labor policy of 1994. By setting standards of excellence in social protection, Sri Lanka will have provided invaluable lessons to other countries faced with similar circumstances.

Annex 1

**Sri Lanka Bureau of Foreign Employment
Registration for Employment Overseas**

1. Full Name
2. Address in Sri Lanka
3. District
4. Telephone Number (if applicable)
5. Sex
6. Passport Number
7. Identity Card Number
8. Employment
9. Country
10. Address Abroad
11. Date of Departure
12. (i) Have you signed a contract of employment? (Yes/No)
(ii) Is a copy of it attached hereto? (Yes/No)
(iii) If a copy has been handed over previously, the address of such office

Date

Signature

.....
For Official Use Only

Insurance Cover Number

Stamp Number

Bank Draft Number

Amount

Date

Procedures for Employment Promotion Agencies

To Obtain a license you should have an office which :

1. Is situated in a place where public transport is available.
2. Has a floor area of at least 500 sq.ft
3. Has telephone with IDD facilities, Fax , Computers, Data bases, type writers, photocopiers & trade testing facilities.

Then you can apply for the license by submitting the following documents:

1. Business registration certificate or certified copy of the form 48 & Articles and memorandums (If registered under the companies act.)
2. Layout plan of the office and the lease agreement or deed of the premises.
3. Affidavits regarding citizenship of the partners of the business / company
4. Two recent testimonials in support of the character and the reputability of the person to be in charge of the business of foreign employment agency (one should be from the gramasevaka Niladari of the area where he resides, this should confirm that person who is applying for the license has been living in
5. A bank guarantee of a commercial bank issued on behalf of you or your agency.
6. You should furnish the following documents of you and other parents or Directors of the agency.
 - Birth Certificate(s)
 - Personal bio –data (s)
 - Photo copies of N.I.C (s) or passport.
 - Police clearances reports from the nearest police station
7. A passport size photograph of the officer in charge of the agency.
8. Before issuing the license a team would inspect the permission on submitting the documents and following of the format ties to their satisfaction.
9. The license which you have obtained would valid for a period of one year from the date of issue.

You can renew the license by:

1. Submitting the completed application from which you could receive from the SLBFE.
2. You must remember to submit the application 30 days before the license expires and the Bureau would evaluate your past performance , inspect your office, equipment and records

If you wish to shift your recruiting agency to a new place you should obtain the approval of the license division of SLBFE by submitting and application with the following documents

- Place of new office
- Proof of legal occupancy of such premises.
- Revised business registration certificate of new premises.

How to get the approval for your job order.

If you are a licensed Agent who has a valid license, and received a job order from a Foreign Agent or Sponsor, you should obtain necessary approvals from the “First Approval Division” before:

1. Advertising or making people aware of the Job vacancies you have
2. Recruiting people for employment abroad
3. Any other activity relevant to the above.

You can Advertise or make people aware of the job vacancies you have, after obtaining an Approval by Submitting:

1. A covering letter requesting approval
2. The job order
3. A copy of the advertisement

You can apply for the “First approval” which would allow you to recruit people for employment abroad ; by submitting the following documents to the approval division:

1. Covering letter requesting first approval
2. Job Order
3. Recruitment agreement
4. Power of attorney
5. Completed “F” form
6. Any further information as requested

The First approval which you have obtained is valid for a period of one year, you can renew the First approval by submitting :

1. A covering letter requesting to renew the First Approval
2. The Expired First Approval which is to be renewed .
3. Completed “FI” form

You must remember to :

1. complete all necessary formalities
2. posses Letter heads of the foreign Agent
3. get the necessary attestations from the relevant Embassies

The payment of registration was made compulsory by a gazette amendment published on 14.10.1994. Accordingly the registration was made compulsory for all persons going abroad on employment.

Accordingly you would have to pay the following amounts as specified by the Bureau according to the salary you would receive in that country.

Salary scale	Registration fee (Rps)
Less than 10,000/=	5,980/=
Between 10,000/= and 20,000/=	8,855/=
Above 20,000/=	11,730/

Source: <http://www.slbfe.lk>

Management Structure of Sri Lanka Bureau of Foreign Employment

Chairman

Mr. Kingsley Ranawaka

Working Director

Mr. D.B.Sumithrarachchi

General Manager (Acting)

Mr. H. Batagoda

**Deputy General Manager
Foreign Relations & Conciliation**

Mr. L.K. Ruhunage

**Deputy General Manager
Legal**

Mrs. M.A. C. K. Premasiri

**Deputy General Manager
Administration and H.R.(Acting)**

Mr.D.D.P.Senanayake

**Deputy General Manager
Planning Research & IT**

Mr. K.O.D.D.Fernando

**Deputy General Manager
Finance**

Mr. M.A. D. Chandrawansa

**Deputy General Manager
Welfare (Acting)**

Mrs.Kalyani Herath

Source: <http://www.slbfelk/Management.html>

Model Employment Contract

This Employment Contract executed and entered into by and between
 Employer
 Hereinafter referred to as Employer and Mr/Mrs.Miss/ (Employee)
 Of (Address in Sri Lanka)
 Hereinafter referred to as Employee, provides for the terms and conditions of
 employment, as follows:

A. Particulars of Employee:

1. Full Name, as in Passport
2. Passport Number
3. Date of Issue
4. Place of Issue
5. Profession in Passport

B. Basic Terms:

1. Employment Site
2. Employee's Classification Position or Grade
3. Basic Pay
4. No. of hours of work per day
5. No. of hours of work per week
6. Overtime Pay
 - a. For work over regular hours
 - b. For work on holidays
7. Leave with full pay (per contractual year of 12 months):
 - a. Vacation (or money value if not used)
 - b. Sick leave
8. Duration of contract: years from date of arrival in the country of employment.
 Contract is renewable at the option of both parties
9. Other benefits

C. The Employer shall provide the Employee:

1. Free air ticket Colombo/..... at the beginning of the contract.
2. Free return air ticket to Colombo in the following cases:
 - a. Expiration of contract
 - b. Termination of contract by employer without just cause
 - c. If Employee is unable to continue work due to work connected with disease or injury
 - d. Force majeure; and
 - e. In such other case when contract is terminated through no fault of the Employee.
3. Free food or food allowance of US\$ per month
4. Free accommodation, with living facilities/allowance in lieu of accommodation of US\$ per month
5. Free emergency medical attention and medicines

6. workmen's compensation benefits for service connected illness, injury or death, according to laws of and war hazard protection
 7. company benefits provided to other Employees in same work.
- D.** The Employee shall observe Employer's company rules and abide by the pertinent laws of and respect its customs and traditions.
- E.** The Employer shall assist the Employee in the regular remittance of his/her monthly salary and allowance or any portion of them, as the employee may decide to his/her beneficiaries in Sri Lanka. The Employer shall provide a statement of such remittances to the Sri Lanka Bureau of Foreign Employment/Embassy of Sri Lanka in the country of employment, if requested.
- F.** In case of death of the Employee, the Employer shall bear the expenses for the repatriation of the mortal remains of the Employee and transfer of his/her personal belongings to his relatives in Sri Lanka or if repatriation of the remains are not possible under certain circumstances, the proper disposal thereof upon previous arrangements with the Employee's next-of-kin in the absence of same with the Sri Lanka Embassy in the Country of Employment.
- G.** Termination of Contract of Employee by Employer. Employer may terminate the contract of the Employee for any of the following just cases:
1. the closing or cessation of operation of the establishment or completion of the project
 2. serious misconduct or willful disobedience of lawful order of Employer or his representative at work
 3. gross or habitual or willful neglect of duties
 4. fraud, criminal offence or assault by employee of employer, his/her representative of a fellow worker
- H.** Employer may also terminate Contract of Employee in the following circumstances
1. installation of labor saving services
 2. redundancy
 3. retrenchment to reduce or prevent losses; and
 4. if Employee has been found to be suffering from any disease and whose continued employment is prohibited by law or is detrimental to his health and/or that of his co-employees.

The termination of employment due to installation of labor saving devices, redundancy or retrenchment shall entitle the employee affected thereby to repatriation pay equivalent of one (1) month pay for every year of service whichever is higher, a fraction of a year of at least 6 months to be considered as one (1) whole year and all other benefits granted to those who may be terminated at end of contract through the normal termination process.

I. Termination of Employment by Employee

1. An Employee may terminate the employer-employee relationship before the expiration of the Employment Contract, by serving written notice on the Employer at least one (1) month in advance. The employer upon whom no such notice has been served may hold the Employee liable for damages. The return airfare in these cases shall be borne by the Employee.
2. An Employee may put an end to relationship without serving any notice on the Employer for any of the following just causes:
 - a. serious insult by the employer or his/her representative on the honor and person of the employee
 - b. inhuman and unbearable treatment accorded by employee by the employer or his/her representative
 - c. commission of a crime or offence by the employer or his representative against the person of the employee or any of the immediate members of his family.

J. Dispute Settlement Procedure

All disputes arising from this employment contract shall initially be settled amicably through negotiations, with the participation of either a Sri Lankan Embassy representative or any representative of the Sri Lanka Bureau of Foreign Employment.

K. Applicable Laws

Other terms and conditions of employment not covered herein shall be governed by the pertinent laws of the country of employment without negating or rendering nugatory other applicable laws in Sri Lanka and international covenants on expatriate employment. In the event of disputes arising out of interpretation of this agreement the English version of the document shall prevail.

IN WITNESS WHEREOF, we hereby sign this contract this day of 20....., at

.....
Signature and seal of Employer

.....
Signature of Employee

SRI LANKA INSURANCE CORPORATION LIMITED
Overseas Employment Insurance

Age Limit: 18 to 60 years

Term: 2 years

Premium: Rs.900

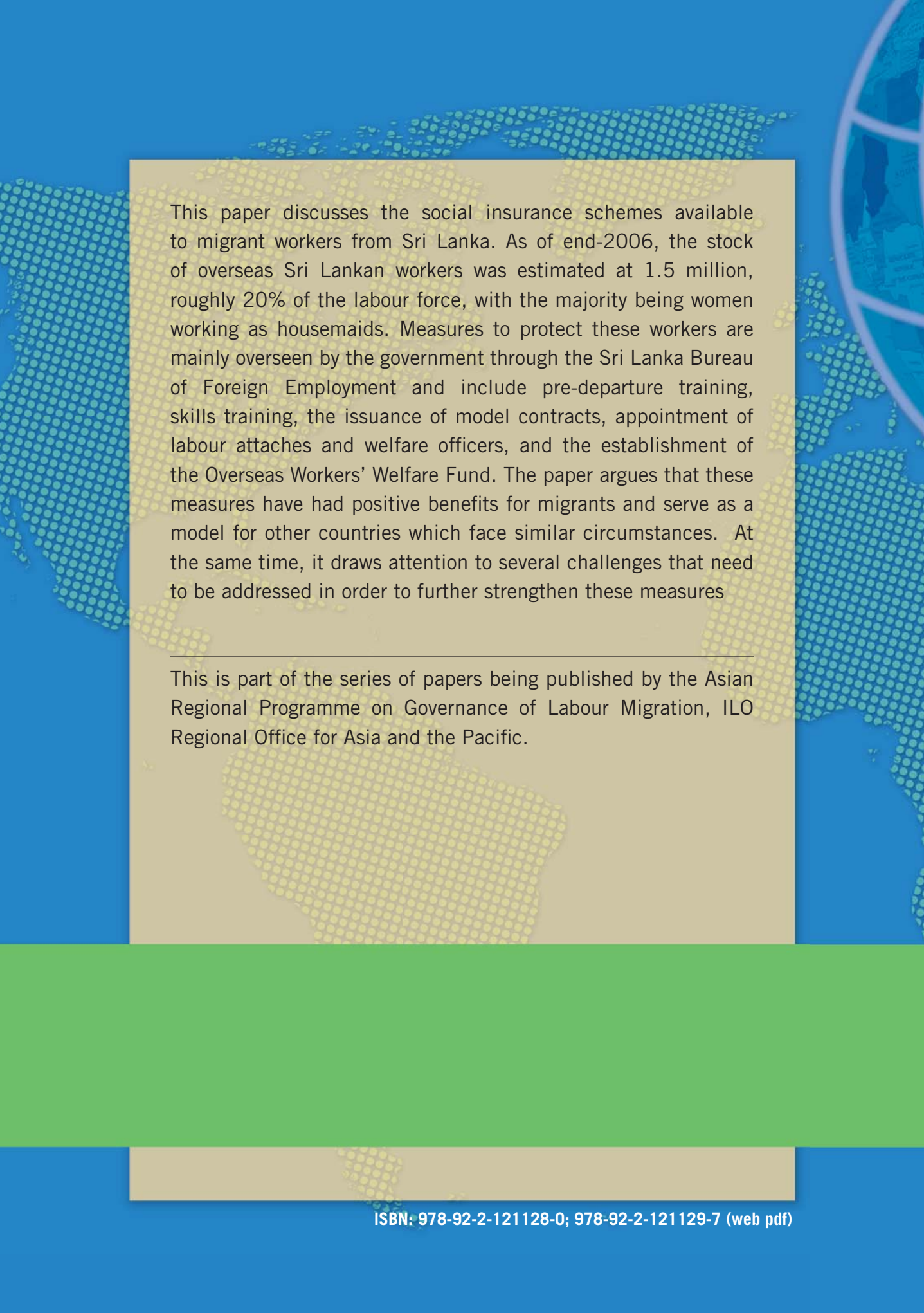
FREE

SLICL Cover 2001

The Premium in respect of this insurance cover will be paid by the Foreign Employment Bureau at the time of registration

	Event	Benefit
1	Repatriation due to physical harassment by the overseas employer	Repatriation within 6 months The air ticket will be issued by Sri Lankan Airlines with the approval of SLBFE/Sri Lanka Mission of the relevant country. Alternatively a sum of Rs.20,000 will be paid to cover the initial expenses.
2.	Repatriation due to pregnancy not known before the departure from Sri Lanka	Repatriation within 3 months Cost incurred by the insured person in respect of the return ticket (Maximum of Rs.25,000). Alternatively a sum of Rs.20,000 to cover the initial expenses
3.	Optional – Bank of Ceylon will issue a Bank Guarantee to issue an air ticket on demand if a request is made to do so with a remittance of US\$400. This guarantee will be displayed on our web site for reference by Sri Lankan Airlines.	Bank of Ceylon will open a NRFC account free of charge at the airport.
4.	Death whilst abroad	(a) Rs.300,000 as compensation to the dependents (b) Cost of transporting the remains or funeral expenses up to a maximum of Rs.500,000
5.	Death in Sri Lanka within 90 days of an accident happened abroad	(a) Cost incurred by the insured person in respect of the return ticket (Maximum Rs.25,000) (b) Rs.200,000 as compensation to the dependents
6.	Return due to an accident whilst working abroad (a) In case of permanent disability	(a) Cost incurred by the insured person in respect of the return ticket (Maximum Rs. 25,000) (b) Compensation up to Rs.200,000 depending on the extent of disability (c) Percentage of disability will be calculated as per schedule to the Workmen's Compensation Laws and shall be determined on the basis of medical evidence

	(b) In case of partial disability	(a)	Cost incurred by the insured person in respect of the return ticket (maximum Rs.25,000) Medical expenses incurred after returning to Sri Lanka (maximum Rs, 100,000)
7.	(a) Return due to an illness Commenced/contracted whilst abroad (b) Death in Sri Lanka due to a critical illness commenced/contracted whilst abroad	(a) (b)	Cost incurred by the insured person in respect of the return ticket (maximum Rs25,000) Medical expenses incurred after returning to Sri Lanka (maximum Rs.100,000) Within six months of arrival in Sri Lanka, Rs.100,000 (inclusive of any medical expenses incurred after returning to Sri Lanka)
8.	(a) Cost of hospitalized medical treatment for accidental injuries after the insured person left Sri Lanka (spouse and two children if insured person is married and parents if insured is unmarried – only persons named in the Proposal) (b) Cost of hospitalized medical treatment for other illnesses commenced/contracted after the insured person left Sri Lanka --- for children below 18 only (Not paid for outdoor treatment, routine treatment, maternity)		Annual cost up to Rs25,000 for a family unit per year for treatment in a non-paying ward ---- Rs.150 per day
9.	Expeditious issue of a Passport of Emergency Certificate		A copy of the Passport is available for reference in the website srilankainsurance.com to enable Sri Lankan Embassies to expeditiously issue an Emergency Certificate or Passport



This paper discusses the social insurance schemes available to migrant workers from Sri Lanka. As of end-2006, the stock of overseas Sri Lankan workers was estimated at 1.5 million, roughly 20% of the labour force, with the majority being women working as housemaids. Measures to protect these workers are mainly overseen by the government through the Sri Lanka Bureau of Foreign Employment and include pre-departure training, skills training, the issuance of model contracts, appointment of labour attaches and welfare officers, and the establishment of the Overseas Workers' Welfare Fund. The paper argues that these measures have had positive benefits for migrants and serve as a model for other countries which face similar circumstances. At the same time, it draws attention to several challenges that need to be addressed in order to further strengthen these measures

This is part of the series of papers being published by the Asian Regional Programme on Governance of Labour Migration, ILO Regional Office for Asia and the Pacific.