Workforce and migration patterns of Sri Lanka’s tourism industry

Implications for the growth of the sector
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Foreword

Many skilled workers from the tourism industry migrate overseas in search of better opportunities. Correspondingly, Sri Lanka’s tourism industry has been beset by labour shortages even as it has been singled out as a key growth sector and contributor to the national economy. This intersection of overseas migration of skilled workers and labour shortages in the local tourism sector has not been sufficiently researched. This report attempts to address this gap by: considering factors that drive workers from the Sri Lankan tourism industry to migrate overseas; understanding the impact of labour turnover on the local industry and identifying the recruitment channels workers use to secure labour market opportunities overseas.

The Centre for Poverty Analysis (CEPA) was commissioned by the ILO Country Office for Sri Lanka and the Maldives to conduct this study with the aim of better understanding decent work deficits that may push workers away from the local market and to investigate how workers navigate transnational labour supply chains in seeking jobs overseas.

Informed by both secondary and primary data analysis, the evidence in the report is relevant for stakeholders in the foreign employment sector, specifically the Sri Lanka Bureau of Foreign Employment, the State Ministry of Foreign Employment Promotion and Market Diversification, and recruitment agents in the foreign employment sector. The report is also relevant for stakeholders in the tourism industry, particularly the Ministry of Tourism and Aviation, the Sri Lanka Tourism Development Authority, and The Hotels Association of Sri Lanka. While the data reflect a pre-COVID-19 context, the findings highlight the need for fundamental changes in the hotels and restaurants sector as well as in the ways in which licensed foreign employment agents operate.

The ILO Country Office for Sri Lanka and the Maldives wish to thank the Sri Lanka Bureau of Foreign Employment for providing data on migrant workers from the hospitality sector; stakeholders within the tourism industry in Sri Lanka, including representative bodies and representatives of hotels, who provided valuable insights; and licensed foreign employment agencies in Kandy and Colombo specializing in recruiting workers for the tourism industry. Importantly, we wish to thank returnee, in-service and aspiring migrant workers and other key informants who supported primary data collection in Colombo, Galle and Kandy districts.

The ILO Country Office also thanks the CEPA research team led by Chandima Arambepola for conducting the research so ably. Finally, thank you to ILO colleagues Nayana Godamunne and Jesse Mertens for their valuable inputs in finalizing the report.

Simrin Singh
Director,
ILO Country Office for Sri Lanka and the Maldives
### Abbreviations and acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>A/L</td>
<td>Advanced Level</td>
</tr>
<tr>
<td>CEPA</td>
<td>Centre for Poverty Analysis</td>
</tr>
<tr>
<td>CV</td>
<td>curriculum vitae</td>
</tr>
<tr>
<td>DCS</td>
<td>Department of Census and Statistics</td>
</tr>
<tr>
<td>EPF</td>
<td>Employees' Provident Fund</td>
</tr>
<tr>
<td>ETF</td>
<td>Employees’ Trust Fund</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
</tr>
<tr>
<td>LFEA</td>
<td>licensed foreign employment agency</td>
</tr>
<tr>
<td>LFS</td>
<td>Labour Force Survey</td>
</tr>
<tr>
<td>O/L</td>
<td>Ordinary Level</td>
</tr>
<tr>
<td>SLBFE</td>
<td>Sri Lanka Bureau of Foreign Employment</td>
</tr>
<tr>
<td>SLITHM</td>
<td>Sri Lanka Institute of Tourism and Hospitality Management</td>
</tr>
<tr>
<td>TVET</td>
<td>technical and vocational education and training</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Tourism and Travel Council</td>
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</table>
1. Introduction
As a labour-intensive service sector, the tourism industry generally has the capacity to absorb large numbers of youth into its workforce (Suresh and Senthilnathan 2014). In Sri Lanka, however, attracting the youth to join the sector has rendered mixed results, with labour shortages cited as a major concern for growth of the industry (Verité Research 2018). A possible trend impacting turnover is the constant outflow of skilled tourism industry professionals for work overseas – a feature that is not well-understood due to the lack of data and research. Thus, the focus of this study is the nexus between the outward migration of skilled labour and the corresponding labour shortages within the Sri Lankan tourism industry.

1.1. The tourism industry and its growth potential

Globally, the tourism industry is recognized for its capacity to generate employment. It is also identified as a sector where issues related to the existing workforce – particularly sustainable human resource management policies – have been largely neglected both by academia and practitioners (Baum 2011).

The identification of tourism as a potential growth industry in Sri Lanka is reflected in the literature, with a significant number of studies focusing primarily on the industry’s promised growth potential (Arambepola and Mahilrajah 2018; Fernando, Bandara and Smith 2013; Sri Lanka, Ministry of Finance 2019; Sirinivasan et al. 2012; Wickremasinghe and Ihalanayake 2006). In addition, the environmental sustainability of the industry (International Finance Corporation 2013); the potential for local economic growth (Robinson and Jarvie 2008; Wimalaratna and Silva 2009); and the often overlooked impact on the local communities, especially with regard to Passikudah (Gunasekara, Phillips and Nagaraj 2016) and Kalpitiya (National Fisheries Solidarity Movement 2013; Society for Threatened Peoples 2015) have all been critically examined in literature.

This preoccupation with the industry’s growth potential is not misplaced. The rapid growth tourism has witnessed since the end of the war in 2009 is well-documented (Samaranayake, Lantra and Jayawardena 2013). Tourism was the third-highest foreign exchange earner in 2018, and since 2009, has steadily increased its share of the foreign exchange earnings; annual growth of the sector was on an upswing until 2019 (SLTDA 2020). Approved projects in 2018 alone were valued at US$218 million (Export.gov 2019). In terms of labour, at least 3 per cent of the entire employed population is working in “accommodation and food service activities” (Central Bank of Sri Lanka 2018). Markedly, women and youth participation in the sector has remained low, with women accounting for less than 10 per cent of workers (Wijayasiri 2020). To date, the Government’s ambitious plans for the sector – including securing US$7 billion in foreign exchange by 2020, increasing employment to 650,000 and increasing women’s participation to the rather conservative rate of 10 per cent (Ministry of Tourism Development and Christian Religious Affairs 2017) – remain unrealized, pointing to deeper issues that may impede the development of the tourism industry.

A major reason holding back the growth of the industry could be because it is highly sensitive to external shocks, be they political, economic and/or natural disasters. As evident with the global spread of the COVID-19 pandemic, such impacts are not unique to Sri Lanka alone (Gunarathna, Nga and Chan 2013; ILO 2020a). However the Sri Lankan tourism industry in particular had already been struggling to recover from the Easter Sunday terrorist attacks that directly targeted five-star hotels in Colombo in April 2019. While the Government of Sri Lanka provided some support through a credit moratorium, the absence of any policy or industry-level preparedness to address yet another major setback – such as the COVID-19 pandemic – shows the challenges that haunt the industry. The volatility the industry has experienced of late, therefore, raises serious concerns about how to not only attract but also retain the industry’s workforce.
1.2. Structural constraints limiting the supply of labour

With a few exceptions (Verité Research 2018), existing studies fail to explicitly address the structural issues that cause the sector to experience labour shortages. The tourism industry’s characteristics set a relatively low bar of skills and qualifications at the entry level (Lundmark, Ednarsson and Karlsson 2014), but the local industry has struggled to attract workers despite projected increases in tourist arrival numbers and the concomitant increase in room capacity. In Sri Lanka, a high labour turnover; an over-reliance on temporary workers (40 per cent) and, hence, non-standard forms of employment; an under-representation of women; and the mismatch of skills are further compounded by the fact that only 10 per cent of the existing workforce possess some form of technical training (Chandrasiri and Gunatilaka 2015). The existing training institutes can only produce a maximum of 10,000 trainees per annum; far short of the expected demand of 25–30,000 workers per annum (Private Sector Tourism Skills Committee 2018).

Existing policy documents seek to address the problem of labour shortages. Some of the identified problems cited are economic (perceptions of low wages at entry level, lack of social security, the aspiration to migrate overseas, better alternative employment options in other sectors), but also include concerns regarding working conditions (such as the work environment, career prospects and work pressures) deterring people from staying longer-term (Ministry of Tourism Development and Christian Religious Affairs 2017). Current initiatives being proposed in response include an “assessment of employee benefits, working hours, pay, workplace attitudes towards women and the potential impact of the availability of safe, affordable transport, housing and child care” (Private Sector Tourism Skills Committee 2018, 19).

In this context, the importance of facilitating the re-entry of returnee migrant workers into the Sri Lankan industry has been emphasized (Mitthapala 2019; Private Sector Tourism Skills Committee 2018). Studies predating the COVID-19 epidemic point to the rising demand for migrant workers in the tourism industry of the Gulf Cooperation Council (GCC) countries (Alriyami et al. 2017; Sadi and Henderson 2005), especially in light of ExpoDubai 2020 and FIFA World Cup 2022 in Qatar. Even though migrant workers in the GCC region find the higher wages attractive, a high percentage of those employed in the tourism industry (86 per cent) also indicated a preference to switch their employment away from the industry and seek alternatives within the region (Hotelier Middle East 2018). This may be due to working and living conditions that are not necessarily conducive for workers in the long term. The long working hours, the absence of adequate financial compensation, the high recruitment fees and the confiscation of passports by employers are cited as serious concerns for workers in the industry (Bjornsson 2015; Business and Human Rights Resource Centre 2018).

The potential overlaps between the labour shortages in the tourism industry in Sri Lanka and the loss of skilled workers to overseas employment must be unpacked. This is important in light of the labour shortages the industry has to grapple with and, more importantly, to understand the impact of outbound labour migration. What remains unclear is whether the attractiveness of overseas markets is weakening the tourism industry at home (because of the leakage of skilled labour) or whether it is the poor performance of the domestic industry that is causing these overseas markets to look better.

In this context, the Centre for Poverty Analysis (CEPA) was commissioned by the ILO to conduct this research with the overarching objective “to create a better understanding of the tourism sector’s workforce and its migration patterns”, with the possible aim of feeding the pertinent findings into the Sri Lanka Tourism Development Authority’s ongoing development of its next strategic plan. To this end, the study focuses on two major objectives:
1. understanding the labour market dynamics of Sri Lanka’s tourism and hospitality industry and the linkages to migration of workers from the sector; and

2. understanding the recruitment process related to the migration of tourism industry workers from Sri Lanka.

Hence, at the core of the study are issues related to decent work and international recruitment (ILO 2018a).

To meet these two objectives, three separate but interconnected elements were examined:

1. a labour market analysis of the tourism industry;

2. a complementary analysis of factors determining the outflow of industry workers to employment abroad; and

3. an examination of current recruitment practices related to the overseas migration of workers from the Sri Lankan tourism industry.

The study period overlapped somewhat with the initial spread of COVID-19 in China in mid-January 2020 and interviewed stakeholders at the time did anticipate an initial slump in guest numbers, but capturing the real impacts of the pandemic on the industry is beyond the scope of this study. However, where necessary and relevant, the pandemic’s implications for workers have been drawn out and highlighted, especially because contraction of the global tourism industry would displace the existing workforce in Sri Lanka; reduce the global demand for skilled workers from overseas; and render in-service migrant workers to a status of irregularity if their employment contracts are eliminated. Implications for the existing workforce as well as for returning migrant workers and in-service migrant workers abroad are considered where possible; as well as how best to meet minimum standards of decent work during this period of uncertainty.
1.3. Methods adopted

The tools used in data collection was informed by the terms of reference issued by the ILO-REFRAME Project for the research. Discussions were also held to narrow the scope of the sector itself (to include only hotels and restaurants) and to determine the locations, with a special emphasis placed on moving beyond Colombo.

Findings for Objective 1 were largely informed by the analysis of Labour Force Surveys (2013–16) conducted by the Sri Lankan Department of Census and Statistics (DCS). In addition, publicly available data from the 2017 Labour Demand Survey and the country-specific limited datasets of the World Tourism and Travel Council (WTTC) were also utilized. To examine the trends of labour migration from Sri Lanka, publicly available data from the Sri Lanka Bureau of Foreign Employment (SLBFE) as well as some tourism sector-related data collected by the SLBFE and made available through the ILO were utilized.

To complement the secondary data analysis and also to capture industry-level insights, 34 industry stakeholders were interviewed, including members of tourism-related associations, government representatives, hotel and restaurant managers, industry leaders, and non-governmental representatives, including a trade union representative. Licensed foreign employment agency (LFEA) representatives were also included in this category.

In addition, 32 returnee, aspiring and in-service migrant workers were also interviewed. The in-service migrant workers included workers already employed overseas in the tourism industry. These interviews were conducted over the phone or through WhatsApp where available. The remaining interviews were conducted in person with respondents from three districts – Kandy, Colombo and Galle. A complete breakdown of the number of interviews conducted and the rationale used in analysing the data from the Labour Force Surveys are described in detail in Annex 1. The omission of sub-agents from the interview process is a shortcoming but not a major limitation, as none of the returnee or aspiring workers indicated the use of an intermediary.

Several significant challenges were confronted with regard to data collection. Tourism stakeholders, especially those at the national level and from the private sector, are increasingly frustrated by the continued data collection and policy level discussions, which they feel do not deliver any implementable action points. This indicates that multiple actors are working in silos on different facets of the industry without using the evidence in a manner that supports inclusive growth of the industry. Accessing aspiring and returnee female workers was challenging, leading to only two female respondents agreeing to be interviewed, a reflection of the poor presence of female workers both in the national industry and among those who intend to seek work overseas. Pointing to the complexities involved in individual migration trajectories and decision-making, categories of “returnee” and “aspiring” migrant workers proved to be superfluous given that people’s migration patterns tend to be circular and return is not always permanent.
Workforce and migration patterns of Sri Lanka's tourism industry: Implications for the growth of the sector
2. Overview of the tourism industry labour market in Sri Lanka
This section first examines the labour market in Sri Lanka. It provides an overview of the characteristics of the existing workforce, the tourism industry’s ability to meet its recruitment targets, the efforts to manage turnover and the various retention mechanisms involved. This sets the stage for Chapter 3, which examines the decent work deficits that drive workers to look for employment opportunities elsewhere.

### 2.1. Overview of the tourism industry workforce in Sri Lanka

Currently, the food and beverage and accommodation and food services sub-sectors absorb a high number of workers (table 1). The considerable number of unfilled vacancies for waiters and housekeeping (DCS 2017) point to the persistent need for workers in lower-skilled employment categories. This reflects the consensus among stakeholders that the standards and requirements for entry level jobs in the industry are minimal.

<table>
<thead>
<tr>
<th>Industry category</th>
<th>No.</th>
<th>Occupation Category</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation and food services</td>
<td>54 851</td>
<td>Hotel and restaurant managers</td>
<td>28 532</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>101 779</td>
<td>Receptionists</td>
<td>1 657</td>
</tr>
<tr>
<td>Tour reservations and guides</td>
<td>3 884</td>
<td>Building and housekeeping supervisors</td>
<td>21 172</td>
</tr>
<tr>
<td>Travel and tour operators</td>
<td>11 886</td>
<td>Chefs and cooks</td>
<td>9 503</td>
</tr>
<tr>
<td>Transport of tourists</td>
<td>4 209</td>
<td>Waiters and bartenders</td>
<td>22 207</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>176 610</strong></td>
<td></td>
<td><strong>83 071</strong></td>
</tr>
</tbody>
</table>

Note: Numbers based on respondents stating primary occupation. Source: Labour Force Survey 2016 data provided by DCS.

#### 2.1.1. Education level and employment

Having a lower secondary level of education is typical for the sector and confirms evidence from elsewhere that the industry has lower entry-level requirements (Lundmark, Ednarsson and Karlsson 2014). Managers are the only group where a significant number of workers possess a postgraduate education (figure 1). Waiters and bartenders generally have the lowest level of educational attainment. In each worker category men and women tend to have roughly equivalent levels of education, with the exception of

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*Incidentally, the low prevalence of undergraduate degree qualifications among this high-skilled worker category is because the four or five-year intensive hospitality management qualification provided by Sri Lanka’s premiere hotel school, the SLITHM, is not recognized as an undergraduate degree. At the time of the study, SLITHM was lobbying with the Ministry of Education to gain this recognition.*
receptionists, wherein women have almost universally completed their Advanced Levels (A/Ls) while many men only have a lower secondary education. English language competency is not very high unless the employees are working in the front office. While employers have cited language competencies as a problem, stakeholders interviewed also concede that language skills, while desirable, are not a major hurdle to access entry-level employment in the industry. This is partly because language competencies are only considered important for the front office given their high level of interaction with guests; whereas kitchen and housekeeping staff do not require relatively high levels of competency. But there is also recognition that for managerial positions English language skills are desirable and often necessitated by the operational systems in place. This was evident among the migrant worker respondents as well.

The overall lower levels of education also highlight the importance employers place on technical and vocational training and on-the-job training as opposed to general educational qualifications. In multiple policy documents, as well as the literature, the importance of vocational training and the acquisition of the “right” skills are emphasized over educational attainments (Visintin, Tijdens and van Klaveren 2015). This is reflected in the admission requirements for the courses offered by the government-run Sri Lanka Institute of Tourism and Hospitality Management (SLITHM). Students can be admitted on their Ordinary Level (O/L) examination results with the minimum age set at 16.5 years. This ensures that the student can legally “work” as an apprentice following the six-month course. Hence, in terms of access to work in the formal sector, the tourism industry remains a viable option for youths, especially those who possess lower educational qualifications.

Note: A/L = Advanced Level; O/L = Ordinary Level. Source: Labour Force Survey 2016 data provided by DCS.
2.1.2. Socio-economic background

What are more difficult to trace through the secondary data are the socio-economic backgrounds from which the industry recruits its workforce. While educational attainment may not be as important, entrance into the industry is marked by an individual’s access to school and social networks. Among the respondents, those on the cusp of graduating into managerial positions were educated in private or leading national schools in Colombo, which give them access to informal school networks. They also had strong role models and/or family members who were already a part of the industry – as evidenced elsewhere (Abeywardana and Priyadarshani 2017). This facilitates their entry into the industry with a clearer idea of what they wish to achieve. In addition, many at the managerial level have attended SLITHM or reputable private training institutes such as William Angliss, with their decision to do so informed by the reputation of the organization, the international recognition accorded to such institutions, and their financial capacity to attend such schools. In contrast, those in lower-skilled work tend to be drawn from lower socio-economic backgrounds, where the ability to access work at a young age was important for supporting their families. Supported by the secondary data, it can be assumed that while access to the industry may be facilitated by lower educational requirements, one’s socio-economic background, social networks and English language skills help accelerate upward mobility.

2.1.3. Diversity within the workforce

An inclusive workplace creates an enabling environment for workers from diverse socio-economic backgrounds. As a service industry, this is of critical importance to tourism. Literature (Stephenson and Al-Hamarneh 2017; Vassou, Zopiatis, and Theocharous 2017) and the respondents with migration experiences point to the diversity in the workforce in terms of different nationalities, ethnic groups and age categories; however, little was forthcoming in terms of women’s representation in the sector. Regardless, this capacity to be inclusive is viewed as a strength, both by stakeholders and by the workers themselves. In this regard, the industry’s ability to attract individuals from diverse ethnic backgrounds and to attract women are discussed below.
2.1.3.1. Ethnicity

In Sri Lanka, all ethnic groups are present in management positions. A higher proportion of “Sri Lankan Moors”, relative to their share of the overall population is evident (figure 2). Such disproportionate representation also holds for receptionists, where there is a large share of Malays and “other” ethnic groups. This could be because they are more likely to be bilingual or trilingual. Managers and receptionists would generally involve interactions with different ethnic groups and nationalities.

![Figure 2. Categories of workers in the Sri Lankan tourism industry by ethnicity and gender](image)

Note: Numbers based on respondents stating their primary occupation. Source: Labour Force Survey 2016 data provided by DCS.
2.1.3.2. Youth representation

One of the benefits widely cited for promoting the growth of the tourism industry is its ability to absorb youth into its ranks. As indicated previously, the lower entry-level qualifications help young people with few educational attainments and/or skills to access work in a formal sector with ease. As indicated in figure 3, the majority of youths (ages 15–24) are clustered in lower-skilled occupations such as waiters and bartenders. Young adults (ages 25–34) seem to be clustered among supervisory staff and managers. This indicates that career progression is possible for those who choose to continue in the same sector. The age distribution among receptionists is notable as they are concentrated mostly within two non-consecutive age cohorts: 25–34 years and 45–54 years, which is developed further in subsection 2.1.3.3 below.

![Figure 3. Employment in the Sri Lankan tourism industry by age and occupation](image)

Note: Numbers based on respondents stating their primary occupation. Source: Labour Force Survey 2016 data provided by DCS.

2.1.3.3. Gender representation

In terms of attracting women, the tourism industry has failed to make any significant headway – a feature not unique to Sri Lanka (Baum 2012). The most common reason cited by the stakeholders is the social stigma attached to women working in the hospitality industry, which intensifies in resort settings (Gunasekera, Nagaraj and Philips 2016). However, the data analysis for this study points to factors other than stigma – and more related to decent work deficits – that raise questions about precarious working conditions that can have a direct bearing on women’s participation. These conditions are further compounded by the fact that a majority of female workers in the tourism industry are concentrated in the informal sector of the industry.

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2 This report defines the “informal sector” in line with the terminology used by Sri Lanka’s Department of Census and Statistics (DCS). According to the DCS, any business establishment that maintains documented accounts is “incorporated”, and if it employs more than ten workers it is considered “formal”. The remaining establishments are considered informal.
According to the DCS (2020), the highest employment share for women is in the service sector (46.2 per cent), but women's participation in the tourism industry is considered to be less than 10 per cent (Private Sector Tourism Skills Committee 2018). Across all employment categories in the tourism industry – except receptionists – women are under-represented. Moreover, they are more likely to be under-represented in high-skilled work – something the industry itself considers a serious setback. Women enter the industry about five years later than men and their careers tend to stagnate. Older women are also engaged more often in jobs like waitering, as opposed to executive-level positions such as managers (figure 4). In some ways, Sri Lanka is echoing similar trends in the global tourism industry, as "women's participation in hotel work is frequently concentrated in specific work areas and women tend to be over-represented in low paid, low status and non-managerial positions" (Baum 2012, 13).

A worrying trend is that men are more likely to report permanent employment, whereas women are more likely to have temporary or casual arrangements, even among front office staff. Moreover, gender discrepancies can be seen in other important aspects of employment, with women employees less likely to be issued an employment letter, less likely to receive employer contributions to the pension fund and less likely to have access to paid leave. These discrepancies all contribute towards making employment in the industry more precarious for women.

The marital status of women employed in the industry shows familiar patterns of women leaving the industry at the point of marriage. Receptionists are more likely to not be married and waiting/serving staff have a higher percentage of workers whose status is other than “married”. The existing trends suggest that female receptionists are likely to leave the workforce by their mid-30s (see figure 3 above), which is often around the same time as women are more likely to get married and start families. This suggests that women are more likely to leave the workforce – especially when their jobs provide little flexibility and lesser wages compared to their male counterparts – for the sake of family welfare, and possibly return when financial considerations become more pressing. The return of women could also be due to financial considerations brought about by a change in their marital status. The comparably higher rate of women who are widowed, divorced or separated suggests that women re-enter the industry at a later phase, possibly because of the demand for female labour in the industry and their prior experience in tourism. This serves to explain the absence of female receptionists in the 35–44 age group and the sudden resurgence in numbers in the 45–54 age group, as seen in figure 3.

Beyond the precarity of work and the negative stigma disincentivizing women from entering the industry, the lack of inclusivity was also mentioned as a problem by stakeholders. Hotels are generally viewed as a predominantly male space, especially in kitchens, which are mostly staffed by men. Concern was also raised by a leading industry expert that women are viewed more as “window dressing”, and hence required at the front office to put guests at ease. Therefore, the commitment of the industry to positively engage women requires that the industry recognize the need to change its own embedded gendered notions and practices.

The importance of effecting change internally is also propelled by the fact that young women appear to be challenging these male-dominated spaces. Growing numbers of women are taking up employment as waiters and bartenders, chefs and cooks, and hotel and restaurant managers (figure 4).

With regard to the growing number of female managers, these findings are backed by interviews with degree-awarding institutes, where gender representation for degrees in hospitality is now equally split; though it should be noted that young men still outnumber women in technical and vocational education and training (TVET) courses. If the patterns continue to change positively over the next five to ten years, young women with a tertiary level education would be looking for industry opportunities at a higher level (that is, at the executive level).
However, if the tourism industry is to continue to expand female employment in other skills categories, it is important that the industry address at least some of its shortcomings to create a work environment conducive for young women continuing their work. It is important to note that certain efforts are already underway. The Hotels Association of Sri Lanka has targeted youths and educators (specifically, school principals) to highlight why the sector is youth- and women-friendly. These efforts can counter, to some extent, the stigma attached to young women joining the sector. In addition, a programme is presently being implemented by a non-governmental agency that seeks to review how policies and practices within a select few hotels can be adapted to be more accommodating of women.  

Interview conducted with representative of institution, 13 January 2020.

Natasha is currently juggling a demanding part-time job at a hotel chain in Adelaide (Australia) while pursuing her masters degree at a hotel management college. Tourism had never been a career choice for Natasha because she had no interest in the “yes sir, no sir” culture. This is despite her parents working in the industry abroad.

But an initial foray into the tourism sector proved to be quite useful. Natasha worked in a resort in southern Sri Lanka, away from her family, for five years. Her interactions with young graduates of SLITHM made her realize the importance of securing qualifications in order to climb up the career ladder. Soon after, with the blessings of the resort manager, Natasha began studying the diploma at SLITHM. But the absence of recognition as a masters degree programme for the five-year commitment was disheartening to Natasha. Several unsuccessful attempts to secure work in city hotels in Colombo proved to be a jarring experience. They “offered [the] guest relations post. But I wasn’t keen on that. Girls are generally regarded as sculptures, especially in the front office. Job opportunity as guest relations executive, really, there should be no such position. Everybody in front office relates to guests. Girls – just because she’s pretty or looks good in a saree, they want to put her to guest relations. It is very male-dominated – [the] Sri Lankan hotel industry. It is very difficult for women to come up.”

The lack of career progression and a desire for wages that reflect her newly minted qualifications contributed towards her decision to expand her horizons. The rigorous working conditions in the local industry made her consider herself lucky that “I am not married and have no kids. For people with a family life, I would not suggest this career.” In contrast, her work stint in Adelaide has only helped to highlight the importance of a flat hierarchy and the recognition of skills based on one’s personal capacity. The ability to balance her education and her work and earn a decent wage has made her foreign experience quite fulfilling.

Despite – or because of – her reservations, her ambition is to climb up the ladder in the industry but on her own terms. “My end goal is to start a place of my own in Sri Lanka. Maybe a boutique hotel that I can run with my own experience. I’d prefer that to working under someone else. ... I will treat my employees much better than my customers. My employees then will return that same form of happiness to the customers.”
However, if women lack basic protections such as paid leave, lack social safety nets such as Employees’ Provident Fund (EPF) and Employees’ Trust Fund (ETF) payments, and are engaged in precarious labour, especially in informal employment, the opportunity to encourage women to engage in the tourism industry is limited. The absence of care facilities for children, the limited options to work from home and a lack of flexible hours (Verité Research 2018; Marhuenda, Martínez and Navas 2004) are added concerns that women have to consider prior to choosing a career path in tourism. For women with children, other additional considerations must also be weighed in. These include the late working hours and shifts during weekends and public holidays, which can negatively affect time spent with family. In a context where flexibility is limited and the challenges of balancing family and work lives are consistently cited by male workers as problematic, the pressures on women would be amplified in a patriarchal society where women are firmly identified as the primary caregivers. Hence, lower participation rate of women in the sector is unsurprising.

Figure 4. Gender representation in the Sri Lankan tourism industry, by occupation (2013–17)

Note: Numbers based on respondents stating their primary occupation. Source: Labour Force Survey 2016 data provided by DCS.
2.2. Persistent labour shortages

Despite the ability to offer employment opportunities to workers with minimum educational qualifications and technical skills, and to individuals from a wide-range of socio-economic backgrounds and ethnic identities, labour shortages persist. According to the Department of Census and Statistics (DCS 2017), over 22,200 vacancies were available in the formal and informal sectors of Sri Lankan tourism industry. As indicated above, the Private Sector Tourism Skills Committee (2018) estimates that 25,000 to 30,000 workers are required annually to meet the shortfall. But the nature of the shortages varies across different contexts.

For instance, labour shortages are not a major issue among reputable hotel chains in comparison to mid-range hotels. Boutique hotels appear to operate with long-term employees who have been with them for five years or more. In the case of large hotel chains and boutiques, the ability to offer work experience in a reputable work environment along with the assurance of long-term stability and better working conditions (including the issuance of employment contracts) can be reasons why labour shortages are not as persistent (SLTDA 2018). However even among the larger hotel chains, many reported difficulties in filling vacancies at the lower skill level of the workforce – confirming existing evidence that attrition rates are higher among the non-management categories of workers in the industry (Verité Research 2018). This difficulty in filling non-management roles points to the decent work deficits that affect lower-skilled workers: lower wages, limited access to service charge payment, and non-standard forms of employment.

Therefore, rather than at the high-skilled and professional levels, it is at the entry-level and lower-skilled categories of work where unmet demand is most prevalent. There is a high level of unmet demand for cleaners for hotels and similar establishments, especially in the formal sector; whereas the demand for waiters is unmet in the informal sector (DCS 2017). Some of the identified high-demand categories are (in descending order of number of vacancies): waiters; cleaning and housekeeping supervisors; chefs, cooks and bartenders in hotels; cleaners and helpers in hotels; accounting and associate professionals; kitchen helpers; stall and market salespersons; and car/taxi cab drivers.

The existence of a dual workforce – that is, in the formal and informal sectors – and the latter’s growth in the past five to ten years in Sri Lanka may also be driving up the demand for labour (Marhuenda, Martínez and Navas 2004). The popularity of online platforms such as Airbnb and Booking.com have complemented the organic growth of the informal sector in locations such as Ella and Jaffna (Arambepola and Mahilrajah 2017). As the Labour Demand Survey data point out, hard-to-fill vacancies are also prevalent in the informal sector as employment opportunities increase in informal sector-driven hotspots such as Ella in Bandarawela.

When pressure on the existing labour force is already high and there is an acknowledged absence of skilled workers, “poaching” of workers by competing and new entrants to the industry is viewed as having a serious negative impact on star-grade hotels (Verité Research 2018). The entry of star-rated international chains to Sri Lanka is viewed as a major boost for the industry, especially in driving up standards of quality and service. But the absence of a readily available pool of skilled workers results in incoming chains recruiting experienced workers from other competing, local hotel chains. Leading local chains are unable to compete with these international hotel chains, especially to match the financial and non-pecuniary benefits that are offered. In such instances, temporary labour shortages within the skilled categories may also arise.
2.3. How is unmet labour demand addressed?

The nature of the tourism industry – its seasonality, the precarity of work and the demands placed on workers in terms of committing to long working hours, etc. – discourages workers from considering the sector as a long-term career option (Vassou, Zopiatis and Theocharous 2017). Therefore, the global industry is found to offset high labour turnover (Hjalager and Andersen 2001; Loi, Ao, and Xu 2014; Nachmias, Johnston and Meade 2015) through an overreliance on casual labour, especially during the peak season (Baum 2012; Zopiatis, Constanti and Theocharous 2014). The Sri Lankan industry has also adopted a similar approach by keeping some staff on a permanent basis supplemented by workers on fixed-term contracts as well as casual workers – the latter quite common in the informal sector (Ranasinghe 2014). But this alone cannot offer a sustained response to labour shortages.

Although recruitment from local communities was encouraged at one point, uptake by the formal sector has been rather sporadic (Gunasekara, Phillips and Nagraj 2016). Such recruitment drives are highly dependent on the employer. They must possess a willingness to recruit and train youth and women from these communities, especially in areas where TVET courses are not easily accessible.

There is a concerted effort by the Hotels Association of Sri Lanka to encourage youth to engage in TVET courses available through institutes under the purview of the Tertiary and Vocational and Education Commission. These students are also linked with the industry through on-the-job trainings and apprenticeships prior to securing their skills certification. But there are limits to such efforts as well. At its current capacity, the TVET institutes can only produce approximately 10,000 graduates each year. Furthermore, questions are consistently raised by the industry about the quality of the courses offered. The absence of standardization and concerns over the applicability of the courses are viewed as major shortcomings in the current status quo. In response, most hotels train their own cadres, thereby increasing the time a young graduate of a skills institute would spend on training. This in turn, can demotivate young people from continuing in the industry as the career progression pathway can be time-consuming.

As with the quality and standard of the courses and the teaching faculty, there appear to be gaps in the mentoring of TVET students. The students who enroll in government-run vocational training institutes tend to be from lower socio-economic backgrounds and are often deemed by the industry as ill-prepared to work in the larger hotel chains. The contention largely stems from the standard of teaching and partly from the inadequate language skills. Adequate mentoring and career guidance to help identify the specific skills of young trainees and to find a suitable “fit” within the hospitality sector through a more coordinated effort on the part of all involved – the prospective employer, the trainee and the TVET institute – can address some of these concerns.

Despite these concerns, the industry also relies on these young apprentices to meet some of their labour shortages. Apprentices are generally assigned the back-end tasks and provided work experience in the housekeeping and kitchen departments, thereby performing a necessary role in meeting immediate labour shortfalls.

A more troubling trend concerns who is accessing the SLITHM courses. SLITHM consistently produces trainees for the local hotel industry, but of late, the limited spots are increasingly assumed by youth who have no intention of joining the local tourism industry. Rather, they use the SLITHM qualification as a “skills passport” to migrate to another country permanently. As a SLITHM representative stated, it has become “the gateway to the world” for young students who wish to migrate to countries such as

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4 Interview with government TVET institute, 14 January 2020.
Australia and New Zealand. It is roughly estimated that at least 50 students of a cohort of 100 possess aspirations to migrate – most permanently. This was evident in a discussion with an aspiring migrant worker who pointed to quite a considerable number of his classmates undertaking the expensive hotel management course as a way to secure a long-term settlement visa to Australia or New Zealand. In this context, the rate of loss due to young workers’ aspirations to move overseas must be taken into account when projecting how many graduates will eventually move towards long-term positions within the Sri Lankan tourism industry.

As mentioned earlier, securing tertiary-level qualifications in the hospitality industry is growing in popularity. In terms of aspirations, such students anticipate joining the industry at a higher-skilled executive or managerial level. These young graduates, however, may encounter difficulties in finding a foothold in an industry that values starting at the bottom of the career ladder and developing the necessary skills for a managerial position while on the job. Consequently, these graduates may not necessarily help reduce the labour shortages in the industry, since the demand is in the lower-skilled categories of work.

2.4. Labour retention strategies

The labour shortages and high attrition rates make it imperative that the industry retains its existing workforce. In the formal sector, the opportunities for improving staff career prospects include promotions, opportunities to acquire new skills and specialized trainings that are made available to workers based on merit. General department-wide training and standard updating mechanisms are in place to maintain international standards.

Staff benefit packages play a considerable role in retaining staff. Hotels provide and maintain accommodation for staff, providing in some cases air-conditioning and wi-fi access. Staff are also provided food, uniforms, shoes, personal hygiene and grooming products, and laundry services as part of their package. Social security is ensured through EPF and ETF contributions and health insurance. Although the leading hotel chains are in a position to provide such benefits, even within these establishments, the differences in benefits provided to resort staff – as opposed to city hotel staff – were acknowledged, especially the lack of transportation and accommodation facilities for workers in the city hotels. Furthermore, whether these efforts are industrywide practices is doubtful (Ministry of Tourism Development and Christian Religious Affairs 2017).

Therefore, labour retention strategies vary depending on the enterprise. Some hotel chains, especially resorts, look for workers who are within a commutable distance, so that employees can have a better work-life balance, an important consideration for workers and a major decent work consideration. Boutique hotels in particular adopt a different scale of management to retain a more cohesive staff structure. They mainly recruit staff on a permanent basis, after a short probation period. They also adopt a close cherished team management style, where personal working relationships and close contact with one’s family are maintained and encouraged. This attitude of bringing staff “into the fold” was found to be quite successful for them. This personalized relationship-building allows businesses to identify and address any professional development the staff require while also proactively responding to the personal family obligations of workers. In doing so, such businesses have adopted more sustainable human resource management practices that acknowledge the centrality of meeting the workers’ needs – both professional and personal – to increase productivity within the enterprise.

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5 Interview with SLITHM representative, 14 February 2020.
Staff retention is also markedly higher among specific hotels where the general manager and/or senior management have proactively paid closer attention to meeting the personal needs of the workers, and thereby enable the hotel to retain these workers for a longer tenure. This includes increasing welfare activities such as generating funds to meet emergency needs of the workers, providing access to credit facilities through banks, and supporting the children of workers with access to education materials, etc. These inclusive strategies have been found to be very important in retaining staff and are considered a cornerstone of a sustainable human resource management strategy (Baum 2017). Though these do not appear to be industrywide practices, responding to a cornerstone of decent work – engagement with one’s employees – is evidently helping these select few hotels to retain their workers in the long term.

2.4.1. Integrating returnee workers

But where the industry lags behind is in promoting “return to work” schemes for returning migrant workers. Upon their return, workers tend to engage either directly or indirectly with the industry in different capacities. Working as restaurant managers or chefs, or as guides and hotel managers, they contribute back to the industry.

Stakeholders had experiences of workers returning back into the industry, especially in relation to the kitchen department, but also acknowledged that a significant proportion may choose to start their own business within the industry, which was evident among the migrant worker respondents as well. The inability to provide data or estimates of how many of the existing workforce in these hotels and restaurants have foreign work experience implies that migration overseas is not viewed as a major consideration nor are such returnee workers proactively sought out as a pool of workers who can fill the vacancies in the industry.

This is in contrast to policy documents that appear to recognize the importance of returning migrant workers (Private Sector Tourism Skills Committee 2018). Rather than a streamlined process, the different types of hotels – large local chains, boutique hotels and single ownership – seek workers as the need arises. Recognition of prior learning (RPL) is available to tourism sector workers, but there is little uptake by either workers or stakeholders. This is partly due to a lack of awareness of this facility, but also because of the question of its applicability. Practical tests (where applicable) and the recommendations from previous employers are considered more important markers of the experience gained, rather than documented evidence of skills acquired. This too is not unique to Sri Lanka’s industry:

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While [RPL] is undoubtedly an important step in ensuring quality enhancement of the labour force, it must be recognised that in the tourism industry i) few professions require certification of any kind; ii) pay and promotion have a tenuous link with credentials; iii) few occupations have set educational requirements for employment; and iv) many graduates from non-tourism programs are hired into tourism occupations without any prior exposure to the industry.

Joppe 2011, 670

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Generally, an area where workers with overseas experience are welcomed is the kitchen department. Returnee migrant workers, especially chefs, search for opportunities where they are able to bring their own team members. The industry makes such provisions, as the kitchen is considered a unique space where understanding among peers is very important. In such instances, an executive-level kitchen employee may work for lesser wages, as employers tend to use the ability to bring one’s own team as a negotiating tool. This is a compromise the worker is willing to make for their own
sense of wellbeing at work. But even in such instances, a major consideration is the ability to stay close to family. After spending time overseas, returnee workers are prepared to trade-off on comparatively lower wages to stay closer to home. This leads some workers to reject better opportunities in the city hotels in Colombo and to look for opportunities within a commutable distance, especially in resorts.

As mentioned previously, if returnee workers do not re-enter the formal sector, they tend to set up their own tourism-related businesses. Attempting to replicate business models that work in other countries while maintaining the same standards of quality is challenging in Sri Lanka and often leads to the collapse of these business entities. Noticeably, these enterprises often tend to be food and beverage-related businesses that are unable to cover the costs of operations. In many instances, such businesses close down in less than 12 months. While these returnee workers possess self-confidence, what they appear to lack are basic knowledge of how to operate a business and the ability to absorb the external shocks that directly impact the sector:

I got married [upon return] and opened up a business near JMC – a burger shop. I had some problems there because [of] less experience in Sri Lanka for us. The cost of operations was high. I only did it for eight months. It was an investment of 27 lakhs. ⁶ As soon as I knew this was not working out, I quickly cut my losses and sold the equipment. I lost out, but at least not as much as I would have, if I had continued.

Returnee worker, male, Kandy District, 31 January 2020

Returnee workers are able to assume such risks because they are financially stable when they return, but these risks can only be absorbed for a limited time period. Hence, many workers are forced to shut down their own businesses and look for other opportunities in the informal or formal sectors of work. But some returnees do persist, and though success may be rare, such instances point to a passion to pursue a personal dream and/or aspiration to set up one’s own business. In such cases, the risks they assume are high, but with enough of a financial cushion they can absorb the possible losses in the near future.

In this sense, returnees could fill some of the shortages that the industry experiences, but their ability to make a major contribution is limited because returnees consider their options carefully. Rare instances were found where workers had returned to the same employer, indicating a strong relationship with a “good” employer. In such cases, the workers mentioned the close relationship between management and the staff and that benefits provided to the employees were considered to be comparatively higher than the industry standard.

Those setting up their own businesses indirectly support the diffusion of the tourism industry to under-developed tourism locations/areas of Sri Lanka where the presence of the formal sector is minimal. But they too then face the conundrum of not having trained/skilled workers. This is verified by 2017 Labour Demand Survey data, which indicate a labour shortage of waiters and restaurant managers in the informal sector. The other concern is that returnee migrant workers are often not in a permanent state of return. The stability of the industry elsewhere continues to make migration an attractive option, especially when the Sri Lankan industry’s stability is in doubt. Hence, migration continues to be an option that is available as an alternative against the local industry’s volatility to external shocks.

The importance of considering the experiences of returnee migrant workers in order to reintegrate them into the workforce in Sri Lanka is underscored by the current context.

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⁶ A lakh is a unit equivalent to 100,000.
The options explored so far by returning migrant workers – specifically in seeking to open their own tourism businesses – are generally not feasible, especially in light of the local industry’s instability. In this context, Sri Lanka stands to lose out on capitalizing on returning workers’ skills and knowledge. The stark absence of any form of support for returning migrant workers also highlights a key point in the ILO’s Decent Work Agenda for Sri Lanka: the absence of comprehensive social protection schemes, as uptake of the EPF/ETF schemes is also currently quite weak (ILO 2018b). Either by offering unemployment benefits – or in the case of migrant workers, some form of safety net from the SLBFE – can help returning migrant workers “weather” these difficult times. But in the current policy vacuum, how returnees will cope remains unknown.

In conclusion, the analysis indicates that the tourism industry’s potential to generate employment is not ill-founded. With low barriers to access entry-level jobs and the capacity to offer opportunities to youth from varying socio-economic backgrounds, the industry strives to be inclusive – but there are strong limitations. Existing TVET institutions do not have the capacity to produce enough skilled workers to meet industry demand, and the industry is wary of the quality and relevance of current TVET programmes. For a majority of women workers, employment in the industry is still precarious and the social costs of joining the industry may be too high, especially with regard to maintaining a healthy work-life balance. For youth, the industry provides opportunities at the entry level with prospects to move up, but only if they stay on for lengthy periods of time, and the absence of adequate mentorship and guidance and current hierarchical structures can impede their progress. The varying degrees of worker protection and welfare schemes in the industry also contribute towards the persistence of labour shortages, as many such schemes do not meet the needs of employees and therefore fail in their intended aim of improving worker retention. This context provides the background for why many workers in the Sri Lankan tourism industry – mostly males – decide to leave the industry to search for work overseas, a state of affairs that will be examined more closely in the next chapter.

2. Overview of the tourism industry labour market in Sri Lanka
Workforce and migration patterns of Sri Lanka's tourism industry: Implications for the growth of the sector
3. Factors determining the migration of workers from the Sri Lankan tourism industry
Migration patterns could be described as being driven by three broad variables: the economic opportunities available at home, the economic opportunities available abroad, and the overall capabilities of workers. An individual worker’s decision to migrate will depend on the existence of one of the following conditions:

1. There is a mismatch between the economic opportunities available at home and the capabilities of the worker, leading to the worker being either underemployed or unemployed (Baum 2012; King 2012; Pike, Rodriguez-Pose and Tomaney 2016).

2. Despite there being a match between economic opportunities at home and the worker’s capabilities, the benefits – either financial or non-pecuniary – to be gained from economic opportunities abroad are large enough to justify migration (Choi, Woods and Murrmann 2000; Pike, Rodriguez-Pose and Tomaney 2016; Van Hear, Bakewell and Long 2018).

Thus, migration can stem from both a push effect – the mismatch at home between opportunities and capabilities – and a pull effect – the attractiveness of the destination. This chapter will examine the push and pull factors driving workers in the Sri Lankan tourism industry to migrate for employment overseas. Yet, this explanation on its own fails to adequately explain the circumstances of the tourism industry.

A serious challenge to using the push-pull explanation is the fact that the hospitality industry has low barriers to entry for youth (in terms of skills and education), and yet it still struggles to attract and retain enough workers. This may suggest that the trigger for migration must be that the economic opportunities within the industry are well below the capabilities of workers, but there are two broad objections to this claim. First, the country’s labour force participation rate is about 51 per cent (Central Bank of Sri Lanka 2018), which is well below the average of 64 per cent for other upper-middle income countries. The female labour force participation rate in Sri Lanka is particularly low (about 35 per cent). Second, the unemployment rate stands at 4.4 per cent (2018), despite the industry’s demand being nearly more than three times the current supply (Central Bank of Sri Lanka 2018). How could a country with a low labour force participation rate and relatively steady unemployment struggle to meet the needs of an industry with low barriers to entry?

The tourism and hospitality industry may not satisfy the narrative of good or respectable employment; in other words, the industry is unable to meet decent work conditions. In the Sri Lankan context, the narrative of good work is also synonymous with stability and predictability, which works against the tourism and hospitality industry (Ariyawansa 2008; Little and Hettige 2014), as it has proven to be both unstable and unpredictable. As explained below, these underlying issues also make decent work deficits more prevalent in the industry.

A recently concluded assessment in Sri Lanka found that employers cited high competition for labour, the inadequate number of applicants with applicable technical skills, and the challenges of recruiting and retaining female workers as the major stumbling blocks in recruitment of workers to the industry (Verité Research 2018). Noticeably, the seasonal nature of work, the poor conditions and shift-based nature of work, and unsociable work hours were the least likely to be cited by employers, and therefore are not considered as major concerns within the industry. However, the experiences of workers challenge this rather narrow understanding of why the sector is struggling to attract and retain workers, and as developed below, offer a window into the factors prompting workers to seek opportunities abroad.
3.1. Insufficient economic opportunities

The most important determinant driving the migration of Sri Lankan tourism workers is the feeling of there being a mismatch in the domestic industry between the economic opportunities available and the capabilities of the workers. The common concerns revolve around poor wages, the lack of clear meritocratic standards for promotion and the lack of opportunities for skills development that could help the upward mobility of workers.

First, the absence of adequate earnings is the most significant complaint. Entry-level workers or trainees from institutes are likely to earn minimum wages, which range between 15,000 and 20,000 Sri Lankan rupees, and have no access to service charge payments – which was confirmed by stakeholders. It is only once the training period is completed that workers are given incremental percentages of the service charge. In addition to the poor wages at this early stage, many workers do not endure the intense training period, where they may have to engage in various repetitive and routine tasks. For more experienced workers, the

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7 The service charge is a pre-determined percentage levied on customers – generally 10 per cent – for the provision of services. The accumulated service charge is then proportionately distributed among the workers, based on seniority, tenure and employment contract.
problem of progression, which is also tied to wages, is a more serious concern.

In Sri Lanka anyway, the salary scales are low – like [for] teachers and principals. The service charge – the hotel owners have created it. The service charge is not worth it – they’re keeping 90 per cent and paying a small amount to the lowest level workers. It’s cheating – it’s not fair. People have to work very hard to get that 10 per cent. There is no average service charge, so it’s only there for [tourist] seasons. For off season, [the service charge] earn[s] for the company owners. Off season, again, the small workers earn only about 10,000 or 20,000 [rupees]. For six months, the salary is very low. They stay because it is some job and they want to climb the ranks.

Returnee migrant worker, male, Galle District, 23 January 2020

Second, and related to the problem of poor wages, is the structure of wages. An employee’s main income is generated through the service charge, rather than the basic salary, which carries long-term financial implications for the workers. As some pointed out, they are unable to access credit facilities through banks because financial institutions consider only the basic salary.

Furthermore, an employee’s contributions to the EPF and ETF – the main form of social security offered to workers – are determined by the basic wage only. In the absence of a pension scheme, the low levels of EPF/ETF contributions then raise the spectre of a financially unstable retirement. The seasonality of the tourism industry also affects the workers’ wages. While domestic tourists help the industry sustain a good turnover throughout the year, this holds true only for the larger hotel chains. For the rest, fluctuation in wages, especially in relation to the service charge is a major financial concern. The concerns regarding low basic salaries has been raised elsewhere (Verité Research 2018) and is acknowledged as a problem by some industry stakeholders, but there appears to be little direction on how to respond to this major concern. Thus, poor wages and uncertainty push workers abroad.

A third related issue is the lack of clear meritocratic progression and of training opportunities. Those employed in large hotel chains, both national and international enterprises, can benefit from better opportunities for onsite training, exposure to international standards and guidance from senior managers who act as mentors. In fact, many workers who claimed they were generally satisfied with their work in these hotels cited the involvement of the general manager and senior management, who proactively paid close attention to the personal needs of the workers, mentored workers and accommodated their professional aspirations. But this too can vary on the basis of the employer, preventing some workers from accessing equal opportunities and treatment at the workplace. Thus, workers are keenly aware that they may find themselves with few opportunities for upward mobility.

Noticeably, there is also the recognition that returning from abroad with enhanced skills improves the chances of securing a higher position and, therefore, higher wages in the local industry. This is more prevalent among kitchen department workers, who migrate as commis chefs and return with improved skills and exposure to different culinary skills.

When we have foreign experience, we have more demand. If you go abroad for a lower position, you can apply for a higher position here in Sri Lanka once you are back.

Returnee/aspirant migrant worker, male, Galle District, 24 January 2020

When we have foreign experience, we have more demand. If you go abroad for a lower position, you can apply for a higher position here in Sri Lanka once you are back.
3. Factors determining the migration of workers from the Sri Lankan tourism industry

The employers interviewed agreed on the importance of migrating overseas to secure new skills and exposure. For example, working in international hotels chains with five-star or similar ratings opens up opportunities for workers to receive on-the-job training in multiple restaurants within a single hotel. Similarly, executive level workers are exposed to new operational procedures and the maintenance of international standards. Value addition of this nature is highly sought after in the local industry, as these acquired skills can help enhance Sri Lanka’s own quality standards. This being the case, the chance to develop these marketable skills overseas serves as a pull factor driving workers to find employment in regional markets. Similar to the issue with wages, this driver particularly impacts the younger generation of workers.

3.2. Poor working conditions

The mismatch between economic opportunities and capabilities, and the difficulty workers face in improving their capabilities, overwhelmingly make the industry less appealing to workers. These factors are further exacerbated by poor working conditions in the industry itself. Some of these problems can be attributed to a negative feedback loop, wherein employers facing labour supply constraints push their workers harder, thereby increasing turnover rates.

Figure 6. Hours of work per week in the Sri Lankan tourism industry, by gender and occupation

Note: Numbers based on respondents stating their primary occupation. Source: Labour Force Survey 2016 data provided by DCS.
Poor working conditions in the industry are often associated with long working hours (figure 6) and the instability of the work as a result of non-standard forms of employment. Both high-skilled and lower-skilled workers find themselves working in long and sometimes unpredictable shifts. The long working hours, especially in the kitchen and food and beverages departments, are generally accepted as a norm, despite employment contracts specifying that workers are employed on a shift basis. Executive level professionals tend to see this as part and parcel of the job – “We are in the hospitality industry, a 24-hour business” is a common mantra put forth by both the stakeholders and such executives. Despite this work ethic, there were multiple complaints – especially among executive level workers – regarding the lack of financial compensation for longer shifts.

For those working in resorts, where accommodation is provided, the working hours could be longer and the work more intense. As a result, few workers benefit from 36 hours of uninterrupted rest per week, as stipulated in the ILO Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179). The long working hours can disincentive workers, especially if other employment opportunities emerge in the domestic economy or abroad.

A concern closely associated with long working hours is the lack of good public transport and accommodation. While these concerns are not unique to the industry itself, the poor transportation and accommodation concerns add to the labour constraints. Lower-skilled workers, especially those without private transportation options, are likely to be adversely affected, as was evident in the data. These poor conditions reduce the capacity of the workers to save and indirectly push workers abroad, especially because large-scale accommodation and transportation facilities are superior overseas.

Decent work deficits

The tourism industry in Sri Lanka does not adequately meet decent work requirements as defined by the ILO, nor do they meet what workers in the industry consider as “good work”. The major shortcomings include:

- A wage structure that prioritizes the service charge over a stable basic income.
- Long working hours that are accepted as the “norm”.
- The absence of stability and security due to a considerable workforce working either in the informal sector or in non-standard forms of employment.
- Difficulties in accessing equal opportunities, especially by women and youth, and the potential to stagnate in one job.

Further exacerbating these conditions is the lack of social dialogue, with only a minute number of formal sector employees represented through a trade union.

When taken together, these factors make it challenging for workers to meet a fundamental principle governing good work: the ability to balance their work and personal lives.
3.3. Inadequate social protection

One other major deciding factor is the external environment. Negative external shocks, originating from within the country but external to the industry, or originating from the global economy, have a significant effect on the tourism industry (Gunarathna, Nga and Chan 2013). While these shocks are infrequent, they have a significant impact on the overall health of the industry, albeit mostly by affecting the demand for tourism. Major external shocks within the country include the protracted civil war that ended in 2009, the Boxing Day Tsunami that affected much of the southern and eastern provinces in 2004, the Easter Sunday attacks that specifically targeted Colombo city hotels in April 2019, and now, the COVID-19 pandemic. While the long-term resilience of the industry has been sound, the short-term impacts of such external shocks add to the uncertainty and unpredictability that is often associated with the industry. Such events, in a context where decent work deficits are commonplace, carry major implications for the job security of both formal and informal sector workers.

Even though the extent of the impact on workers is not known, based on the accounts of workers as well as the trade union representative, entry-level workers faced job losses in the aftermath of the Easter Sunday attacks. While leading industry professionals (comprising large hotel chains owned and managed locally) had managed to keep their permanent cadres, casual workers and/or workers whose fixed-term contracts were ending faced job losses. What is worrying in this specific context is the lack of verifiable data pointing to the composition of fixed-term, casual and permanent workers in the formal sector to estimate how many experienced job losses.

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Last year many trainees got fired because of the crash in the industry. Yes, there is a close friend of mine who worked at [a 5-star hotel in Colombo] – he worked there for about a year before Easter Sunday, so he wasn’t fired. But most of the staff from the other [5-star Colombo] hotels were cut down.

Aspiring migrant worker, male, Colombo District, 29 January 2020

As the Employers Federation of Ceylon also pointed out, discussions were held between worker representatives and employers for a way forward, with the workers lobbying for service charge payments as a fixed amount rather than as a percentage of service charge earnings, while the employers argued that this was not feasible as they were struggling to keep the hotels opened in the wake of the attacks. Some employers ultimately did choose to make service charge payments as a fixed amount, but adoption as an industry-wide practice was severely curtailed by the dramatic drop in earnings for the industry in the immediate aftermath of the attacks.\(^8\) By consequence, many workers lost a major portion of their income as a result of substantial reductions in service charge payments.

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\(^8\) According to the Sri Lanka Tourism Development Authority (SLTDA 2019), tourist arrivals dropped by 18 per cent between 2018 and 2019.
The absence of some form of employee security fund to support industry workers who experience job losses or wage reductions is a serious shortcoming in an industry that is proving to be highly sensitive to these external shocks.

3.4. Better employment opportunities in countries of destination?

While concerns have been raised in different quarters on the imperative to address decent work deficits within the Sri Lankan industry, some of these issues, especially poor working conditions and the absence of social protection schemes, are common in other countries as well. Yet, Sri Lankan workers in the industry proactively seek out these overseas opportunities for multiple reasons. These reasons, however, point to the limits of using a purely economic lens to understand the decision-making process. Workers are seeking not only to redress shortcomings in wages but also a response to the absence of stability and social protection. Furthermore, as elaborated below, migration allows workers to respond to the gaps in the Sri Lankan industry by enhancing their skills through international exposure, and thus, improve their marketability upon their eventual return to the domestic industry.
3.4.1. Outward migration from the tourism industry

Among those who migrated for tourism industry-related jobs in 2018, 96 per cent were men (figure 7). The markedly different gender breakdown in comparison to the overall migration trends is important, but not surprising. The Sri Lankan tourism industry has a poor female employment rate. However, according to some of the stakeholders interviewed, the industry-level rate for female employment is actually much lower (in single digits) than what is generally accepted. Hence, women’s under-representation in migration mirrors the industry’s female employment rate.

The workers are also most likely to migrate between the ages of 25 and 29, with numbers steadily decreasing beyond this age. This indicates the ability of youths to migrate after gaining a few years of experience in the Sri Lankan industry – a fact confirmed by industry stakeholders and the licensed foreign employment agency (LFEA) representatives, who emphasized the importance of technical skills and work experience.

Globally, a reliance on migrant labour to respond to labour shortages in the tourism industry is becoming commonplace (Joppe 2012). This also holds for the GCC countries and the Maldives (Shakeela and Cooper 2009; Stephenson and Al-Hamarneh 2017), where the growth of the sector has led to major demand for skilled workers. The migration of tourism workers from Sri Lanka is in large part due to this sustained demand from countries of destination. The supply of labour in response to demand is reflected in SLBFE data (figure 8). During the years 2016–18 the vast majority of those migrating to work in jobs related to tourism were cooks/chefs, with an increasing trend across the period in both overall numbers and as a proportion of all outbound tourism workers (85 per cent in 2016 and 92 per cent in 2018) – a trend confirmed by stakeholders and evident among the migrant worker respondents. Interestingly, Sri Lankans are also migrating to work in very senior positions such as controllers.9

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9 A controller is a senior financial manager in the hospitality industry that oversees financial reporting, investments, risk management, and cash flow analysis, among other financial aspects of the business. These professionals may be employed by a single hotel or by an organization that operates many hotels.
3.4.2. Better wages

A major consideration for justifying migration is that wages need to be significantly higher than the home economy – a fact emphasized by both high-skilled and lower-skilled workers. Together, both the publicly available data (figure 9) and the key informant interviews confirm that most attractive foreign markets are those that are easily accessible to Sri Lanka within Asia. Apart from the easy access to these markets (due to cheap and regular air travel and less onerous visa requirements), the demand in these markers for migrant labour is the most important factor.
The GCC countries are important destinations due to their significant industry growth and labour constraints. As part of their economic diversification strategies, GCC countries have made significant efforts to expand tourism and hospitality. The Middle East region’s travel and tourism industry grew by 10 per cent between 2018 and 2019, surpassing the UN World Tourism Organization’s own predictions for the region (UNWTO 2019) and leading to predictions of a continued upward swing in related professions (World Economic Forum 2018). The combination of large markets and scarcity of labour have increased demand for migrant labour in the region, including from Sri Lanka.

The opportunities presented by the quicker growth of the GCC countries’ tourism industries and the labour scarcity in the GCC region serve to highlight for Sri Lankan workers the shortcomings of their local industry, especially those related to inadequate employment opportunities and the absence of social protection. As shown in table 2, nearby markets have a much higher relative revenue per worker. This clearly illustrates the potential for significantly higher wages in those markets, thereby acting as a strong motivator for Sri Lankan workers seeking financial stability.

<table>
<thead>
<tr>
<th>Country</th>
<th>Direct contribution to GDP (US$)</th>
<th>No. of direct employees</th>
<th>Revenue per/worker (US$)</th>
<th>Sri Lankan workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>18 825 600 000</td>
<td>300 000</td>
<td>62 752</td>
<td>28</td>
</tr>
<tr>
<td>Qatar</td>
<td>5 467 600 000</td>
<td>93 000</td>
<td>58 791</td>
<td>19</td>
</tr>
<tr>
<td>Maldives</td>
<td>1 509 100 000</td>
<td>34 500</td>
<td>43 742</td>
<td>19</td>
</tr>
<tr>
<td>Kuwait</td>
<td>3 200 000 000</td>
<td>54 000</td>
<td>59 259</td>
<td>16</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>4 467 700 000</td>
<td>404 000</td>
<td>11 059</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

UAE = United Arab Emirates; n.a. = not applicable.
Source: Compiled by author based on 2018 data provided by the SLBFE and from WTTC 2018.

The potential for better opportunities abroad was reinforced by interviews with LFEA representatives as well as workers, who cited the possibility of earning much higher wages for the same level of work abroad, often with better working conditions.

Of course the salaries cannot be compared to what we are paid in Sri Lanka. This is much higher and also because we earn in US dollars, it is really valuable. ... [N]ot all of us are paid overtime you see, but the lower levels [of workers] are definitely paid. For us, because we are at executive levels, there are other ways in which the company compensates us, by giving additional leave and R&R and all. So yes, there are more benefits for sure.

In-service migrant worker, male, Maldives, 17 February 2020
At the outset, the financial compensation is large enough to justify migration. Migrant worker respondent descriptions of their work experiences overseas, specifically with regard to long working hours, in some ways confirm existing reports of difficult working conditions in the GCC in particular (Bjornsson 2015), but workers were prone to accept such difficult conditions because such work is widely cited as being compensated. Workers tend to use the local industry as a benchmark for such comparisons, indicating that the local industry falls short with regard to financial compensation.

3.4.3. Better opportunities for skills development and career progression

But better wages alone cannot explain why workers seek work overseas. The same factors that make the Sri Lankan industry less attractive to workers also make the international industry more attractive because there is space to address those shortcomings. Apart from higher wages, access to health insurance, accommodation facilities and transportation (where applicable) make such jobs more appealing. For higher-skilled worker categories, severance and gratuity packages are also strong incentives that benefit them if they continue with the same employer for five years or more. High-skilled workers also benefit from being allowed to bring their families with them – a privilege that workers are unable to enjoy in Sri Lanka either because of the long working hours or being placed in hotels not within a commutable distance.

Notably, many workers look for work overseas because they want to build a house or accumulate savings for their families’ wellbeing. These goals also indicate that the benefits offered in Sri Lanka fall short of supporting workers’ efforts to meet these basic requirements. Through a temporary exit from the local industry to a higher paying workplace, these social and familial obligations can be met.

In addition to better wages, Sri Lankan migrant workers are in a better position to compete and to benefit from career progression. The competition also incentivizes the investment in their own skills. This is particularly attractive for younger workers, as they are then in a better position for career progression in the countries of destination than they would be in Sri Lanka.

Even if we work in the kitchen, we can reach the executive level if we are dedicated enough. Even through housekeeping, you can reach managerial positions. So, you don’t have to select one side [department] and try to move forward, you can do it in any section [of the hotel].

Returnee/aspirant worker, male, Galle District, 24 January 2020

The broadening of learning opportunities through exposure to new technologies as well as new ideas on hospitality, interestingly, made the migrant worker respondents reflect on the sector in Sri Lanka and view it through “foreign” eyes. Many consider the local industry in Sri Lanka as stagnant and unable to keep up with the changes taking place elsewhere, which also limits worker opportunities to expand their own learning. In contrast, the skills development opportunities gained from working in another country also open up new work opportunities, allowing workers a high degree of mobility, both between employers and up the career ladder. Since tourism industries overseas are more stable and have the financial backing to absorb short-term losses in revenue, demand for skilled labour is still high. This enables Sri Lankan workers to either move up the career ladder within the same organization or look for fresh opportunities when their contracts lapse. This degree of mobility within the industry overseas is an appealing factor for workers, as it tends to ensure they can secure a stable job with a stable income.

As confirmed by the literature and by respondents’ experiences, the decent work
III. Factors determining the migration of workers from the Sri Lankan tourism industry

Deficits found in the local industry are also prevalent in other countries. Workers are well aware of the existence of poor working conditions in the industry overseas. This is particularly true regarding long working hours and minimal rest days – decent work deficits noted in Sri Lanka as well. What was also evident is the non-existence of social dialogue in many destination countries, especially in relation to protecting worker rights. But the ability to be financially compensated for long hours of work and the use of regulated, standardized employment contracts make the industry less problematic overseas – and thereby highlight shortcomings that the local industry needs to urgently confront. But what is equally important is that tourism industries overseas also offer room for personal improvement and a structure that is more amenable to career progression, making them more appealing than the local industry.

3.5. Implications of out-migration on the local industry

A recently concluded assessment in Sri Lanka found that employers cited high competition for labour, the inadequate number of applicants with applicable technical skills, and the challenges of recruiting and retaining female workers as the major stumbling blocks in recruitment of workers to the industry (Verité Research 2018). Noticeably, the seasonal nature of work, the poor conditions and shift-based nature of work, and unsociable work hours were the least likely to be cited by employers, and therefore are not considered as major concerns within the industry. However, the experiences of workers challenge this rather narrow understanding of why the sector is struggling to attract as well as retain workers.

Based on interviews with industry stakeholders and migrant workers, as well as the analysis of secondary data, the migration of workers from the Sri Lankan tourism industry to work overseas is not the cause of the labour shortage the industry is experiencing. While it may contribute in some ways through the erosion of some core workers with specific skills, the circular nature of these employees working locally, seeking work overseas and then returning to the industry is largely a norm that the industry is familiar with. However, the absence of a committed policy or process to recognize the skills of returning migrant workers and to channel their skills towards the industry requires more attention. While it may be argued that this amounts to a “lost opportunity” to the industry as a whole, the fact that returnees generally look for means to re-engage in the sector must be factored in.

The data collected throw light on issues that are commonly accepted as problematic in the industry – working hours that are beyond the regulated shift hours, poor wages – but also less tangible issues about access to training and good mentors and the limited space for mobility within the industry. Together these problems represent real decent work deficits – especially in providing sufficient employment opportunities or preventing employment gaps. In contrast, the ability of nearby regions to address some of these decent work deficits makes migration a natural step in career and personal progression. The shortcomings in the industry in Sri Lanka are therefore redressed by workers through migration. They are able to meet their social obligations, stabilize their financial security and acquire skills and experience that will help them – on return – to demand higher wages and promotions in the local industry. In doing so, migrant workers are also fulfilling the tacitly agreed upon condition in the industry that overseas exposure is a factor that positively favours career progression.
Workforce and migration patterns of Sri Lanka’s tourism industry: Implications for the growth of the sector

In the face of COVID-19: Where will they go?

The decent work deficits in the Sri Lankan tourism industry have far-reaching effects on workers, especially during an unprecedented downturn like during the COVID-19 pandemic. The job losses are predicted to be far greater than the period following the Easter Sunday attacks.

The current agreement between some trade unions and employers is to retain the workforce by paying a minimum of 14,500 rupees or 50 per cent of the wages until September 2020. Concerns are already being raised that employers have unfairly dismissed workers in violation of this agreement.

The extent of the job losses in tourism is difficult to quantify, but based on prior experience, the move would be to protect the permanent (highly skilled) workers and dismiss the lower-skilled workers on casual and fixed-term contracts.

Given the absence of social protection schemes, the very weak worker representation and the contraction of the industry overseas as well, workers at lower-paid/lower-skilled levels would be left without any legal or professional recourse. In addition, those employed in the informal sector would not have access to any form of protection and would continue to remain outside of policy discussions. The contraction of the industry elsewhere will further reduce the adoption of migration as a coping mechanism by such workers. This yet again highlights how the industry fails to adequately meet conditions of decent work and reinforces perceptions that the industry does not fit the idea of good work.

In conclusion, the fact that it is not just the low wages pushing people to work overseas gives a strong message regarding the Sri Lankan tourism industry’s potential to create jobs. In order to address the decent work deficits of insufficient employment opportunities and inadequate social protection schemes, the industry must adopt a more holistic approach that addresses not merely issues related to wages and working hours, but takes into serious consideration the long-term stability of the sector and how to effectively respond to workers’ growing need – regardless of age, gender and marital status – to maintain a healthy balance between work and personal lives. This would require paying greater attention to the social dialogue gap within the broader decent work framework.

Similarly, a rather obvious gap is migrant worker access to wider social protection schemes while abroad, either through government schemes in the country of destination, their overseas employers or the SLBFE. The importance of such measures cannot be underestimated, especially in times such as the COVID-19 pandemic, when migrant workers encounter a higher risk of unemployment and/or wage theft.

Even though existing policy documents related to Sri Lanka’s tourism industry have highlighted these gaps within the industry, a framework that industry stakeholders can use to push the agenda of decent work – with the support of the ILO – is the ILO Guidelines on Decent Work and Socially Responsible Tourism. Since Sri Lanka has not ratified the ILO Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172), and the associated Recommendation No. 179, the former may provide a blueprint on which the existing shortcomings of the industry can be assessed so that workable solutions either in the short, medium or long term can be devised. This would facilitate consideration of how to respond to decent work deficits for workers in both the formal and informal sectors.
4. Recruitment processes facilitating the migration of tourism industry workers
Given the tendency for tourism industry workers to look for work overseas, it is equally important to examine how recruitment processes are mandated or practiced in Sri Lanka. Recruitment for labour migration and the related costs have received renewed interest as a result of Target 10.7 of the Sustainable Development Goals, which aims to “facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies”. The corresponding indicator 10.7.1 encourages States to collect data on recruitment costs borne by employees. Attention to recruitment costs and fair recruitment as a principle has also received attention through the Global Compact on Migration. These underscore the importance of reducing the burden on migrant workers and of ensuring that migrant workers benefit from adherence to fair recruitment principles.

### 4.1. Regulatory framework

According to the ILO General Principles and Operational Guidelines for Fair Recruitment, several steps must be followed to ensure that migrant workers are protected; however, the regulatory framework in Sri Lanka does not always protect workers from being exploited.

In Sri Lanka, licensed foreign employment agencies (LFEAs) are regulated by the SLBFE as set out in the Sri Lanka Bureau of Foreign Employment Act, No. 21 of 1985. The SLBFE is mandated to issue LFEA licenses as well as supervise and renew such licenses (ILO 2013). But later amendments have watered down the space for regulation. For instance, the Association of Licensed Foreign Employment Agencies (ALFEA) has lost its ability to self-regulate its members, as licensed LFEAs are no longer bound to become members of the ALFEA. This is worrying because of existent policy gaps making it a challenge to respond to different modalities adopted for migration.

In Sri Lanka, the most common pathways for labour migration have been employer-to-employee, employer-to-agency, agent-to-agent and government-to-government (ILO 2020b) – with all but the latter applicable to the tourism industry.

ILO instruments, including the Private Employment Agencies Convention, 1997 (No. 181), and the General Principles and Operational Guidelines for Fair Recruitment, explicitly prohibit the charging of recruitment fees or costs, in whole or in part, to workers. However, worker-charged fees and costs are permitted in Sri Lanka. In this regard, the Amendment Act, No. 4 of 1992, stipulates a maximum ceiling on fee-charging on the basis of the monthly salary, duration of employment and the prevalent exchange rate (Weeraratne 2018). However, a recent report by the ILO (2020b) also highlights that despite the issuance of a new Circular to change the fee structure, this change was not widely adopted.

Given this context, the findings in this chapter are based on the interviews conducted with recruitment agents and the experiences of aspirant and returnee migrant workers from the tourism industry. Since the number of agencies that specialize in recruiting workers for hospitality related jobs abroad is limited, only five interviews with LFEAs were conducted. Supplemented by the interviews with migrant workers, the data show how recruitment practices diverge from the “norm” in Sri Lanka for other types of work. A key aspect coming out of the interviews was that recruitment agents’ actions are largely determined by the demands placed on them by the prospective employer. Practices regarding contracts, recruitment fees and costs are mostly determined elsewhere (that is, by the employer) and the choices of the aspiring migrant workers in-country have an impact on the importance of access to information and the role of intermediaries.
One of the major differences is that not all LFEAs send workers for the hospitality industry. From the interviews conducted, it is clear that long-tenured agencies with long-standing links to employment agencies in the country of destination have a stronger foothold in the business of sending tourism workers. The dominance of a small group of long-tenured LFEAs could also be a result of the broader range of skills in demand (from lower-skilled to professional levels) and the language competencies desired in the tourism industry, which require a more nuanced understanding of the recruitment process. Furthermore, the recruitment steps that need to be followed are more extensive than what is generally seen in recruitment for lower-skilled jobs, such as domestic work.

4.2. Who uses licensed foreign employment agencies?

Until very recently, Sri Lanka’s migrant workers relied heavily on LFEAs to facilitate migration. This was strengthened through existing legal frameworks that identify the LFEAs as the principal intermediary facilitating this process (ILO 2019a). But this established pattern is rapidly changing as migrant workers are increasingly opting to migrate on their own without the use of an intermediary such as an LFEA and/or sub-agent (figure 10). While this drop is in part attributable to the 2013 introduction of the Family Background Report regulation, which restricts women’s migration trajectories, migrant workers in the tourism industry also show a preference for finding work outside of the LFEAs.

According to the work profiles of the migrant workers interviewed, those who relied on LFEAs tended to be first-time migrants who used recommendations provided by peers to reach out to these representatives. In a few instances, returnee migrant workers who were struggling to find a foothold in the local industry turned to using LFEAs to find re-migrate for work. In such cases, the workers proactively reached out to the LFEAs and handed over their CVs. Workers who worked in the informal sector of the tourism industry before departure or upon return found that this informal employment made it more difficult to (re-)enter the workforce overseas, as they lack the documentation to prove their work experiences while in Sri Lanka – which also points perhaps to the importance of RPL to future migration plans. Consequently, the ability to demand higher wages or seek work opportunities at a higher position becomes more challenging. In these instances, recruitment agencies can act as an intermediary to find a suitable position among the job orders they receive. But the common practice among the LFEAs is to tap into first-time migrant workers as their potential pool of migrant workers.

4.2.1. Seeking out workers

There is consensus that demand for Sri Lankan workers abroad is quite high. Apart from main historic countries of destination, such as the United Arab Emirates and Qatar, countries outside the GCC region, such as Portugal and Romania, are becoming important. While the prospects of migrating to countries within the European Union are higher given the possibility of mobility within the region, language competency and the corresponding costs would also be higher. But the search for cheap labour is making countries of the “Global South”, such as Sri Lanka, more attractive as labour-supplying countries (Zopiatis, Constanti and Theocharous 2014; Nachmias, Johnston and Meade 2015).

Just as the industry in Sri Lanka struggles to find workers, so do the LFEA representatives. But unlike the industry, the agency representatives use novel approaches to mobilize young people to seek work overseas. Apart from using social media platforms – Facebook, Instagram, LinkedIn – and online employment portals such as Topjobs, the agencies are also reaching out to school leavers and TVET institutes to encourage overseas work opportunities. This is either to encourage young students to consider tourism as a career path and to gain the necessary skills and experience, or to encourage TVET students to complete the course and gain the necessary experience to migrate. These efforts are successful because the LFEAs are very aware of both the poor wages paid in the Sri Lankan industry and the potential to earn higher wages overseas. For lower-skilled work, such as a waiting tables, accepting a job overseas can generate wages three times higher than what can be earned locally.

The targeting of the TVET institutes is a well thought out strategy. LFEA representatives are well aware of the pre-requisites for securing hospitality work overseas. A vocational training certificate is viewed as mandatory, making the TVET institutes a perfect avenue for seeking out potential migrant workers. The relationship between the TVET institutes and LFEAs also works – indirectly – in the reverse manner, as some LFEA representatives said they had encouraged youths to enrol in TVET institutes to secure the necessary qualifications. Such advice was given to youths who visited the LFEAs to seek employment opportunities overseas.

This degree of mobilization by the LFEAs at the local level reduces reliance on sub-agents/or intermediaries. This was confirmed by the agency representatives as well as by the returnee migrant workers. The personal contacts and social networks of the migrant workers play a more significant role in linking prospective migrant workers with the “right” employment agency. As a result, prospective migrants can use these informal networks to bypass sub-agents and go directly to employment agencies that have developed a good reputation over time. This helps reduce the chances of securing work in an undesirable position and/or with an undesirable employer.

LFEAs were found to have approached SLITHM as well, but access to the students was denied by the institute.
4.3. Recruitment process

LFEAs adopt two means of seeking workers for job opportunities abroad: soliciting CVs of current workers by adopting an “open door” policy, and by advertising the positions, especially on online platforms. These advertisements provide general information about the position, the average wages and the conditions of employment. But there is no standard procedure, as the approach taken is largely determined by the needs of the prospective employer. For instance, the role played by the LFEA may be reduced when the number of workers the prospective employer is seeking to hire is relatively high.

Normally, when we try to send workers abroad, if there are more than 20 workers, then they [the employer] visit us and do the interviews. No, they don’t ask them to do a practical; they can get to know the skill level by asking certain questions, no? They look for experience.

Manager of LFEA-1, male, Colombo District, 10 February 2020

Overseas employers can therefore easily tap into a considerably large stock of migrant workers by using a recruitment agency in Sri Lanka as an intermediary. To facilitate this process of linking potential employers and employees, the agencies have also devised a two-step process.

First, the LFEA representatives conduct a screening process in which interviews are held with prospective migrant workers to assess their skills and language competencies. This is also a documentation review that allows the agencies to sieve through the large number of applicants. Second, if the prospective workers successful pass the screening process, interviews are set up with prospective employers when there is a match between skills and requirements. At this second stage the process of selecting workers can vary:

It [the process] depends on the companies. Some companies, they will come here for face-to-face interviews. In those [instances], we advertise first and then we will ask [potential workers] to come for a screening interview. We will not let everyone attend the interview. We do a screening to see if they have potential to face a final interview. The other way is, sometimes interviews take place through IMO, WhatsApp [chat applications] and then Skype interviews. Some [employers] just select from the CVs. They go through the CVs and they select candidates.

Manager of LFEA-4, male, Colombo District, 06 February 2020

Unlike in the more popular migrant worker categories (such as domestic work, construction), an interview – virtually or in person – with the prospective employer might take place before a job is offered. This allows both the employer and the prospective employee to have a better understanding of the type of work that is being contracted. Migrant worker respondents at the executive level as well as some skilled workers, especially kitchen workers, confirmed the incidence of employee interviews prior to selection. This indicates that the level of engagement between prospective employers and prospective workers likely varies on the basis of the type of work the worker would be engaged in.
Other than engaging in a formal recruitment process through an LFEA, using one’s personal contacts to secure overseas work is the most popular option among tourism workers. The importance of social networks can be illustrated by looking at the case of tourism workers in Galle, a district with few LFEAs, none of which recruit for the tourism industry. Worker respondents from Galle said they tend to rely mostly on each other to find information and secure jobs overseas. A worker’s immediate network appears to typically be their colleagues and/or close family members. The workers trust their networks to direct them towards job openings elsewhere and to help them in securing such positions. There are no monetary transactions between the two parties. Rather, at the core of the relationship is the sharing of reliable information. Employer interviews are conducted either virtually or through a phone call; thereby eliminating the role of an LFEA. The only time these workers rely on an agency is to secure their visa.

### 4.4. Setting of wages

The workers were found to have little to no room to negotiate the wages, which were already set by the prospective employer. Workers’ ability to negotiate their wages with employers is limited in part because the promised wages are inevitably higher than what they are currently earning in Sri Lanka.

> [T]hey get better salaries. It is kind of a permanent one, but in Sri Lanka what happens is, if you go to these hotels and all, if you go as a waiter, they will give you a basic salary of 15,000 rupees. Then they will say, [you also get the] service charge, tips, all these things. If you go to a Middle Eastern country as a waiter, he will get at least 1,500 riyal – it’s about 90,000 rupees. Sometimes, they get duty meals also. Whereas the same person working in Sri Lanka will get 15,000 rupees and some service charge if there is business. No business means no service charge; so he has to survive with 15,000 rupees.

Manager of LFEA-3, male, Colombo District, 13 February 2020

The ability to use one’s social networks to share and exchange information regarding expectations on wages helps prospective migrant workers gauge whether jobs are offering below-average wages. But as the returnee migrant workers’ experiences indicate – with a single exception – their time working in the formal sector overseas had met or exceeded their expectations.

Even with such information in hand, wage setting is largely determined in the end by the prospective employer taking into consideration the lower wages that workers are paid in Sri Lanka. Hence, exploitation of workers through the payment of lower than industry average wages is difficult to trace because Sri Lankan workers are apparently content with the salaries they
receive. Ironically, workers excited by the markedly higher wages offered overseas still end up being followed by the decent work deficits they sought to escape, as the lower wages they earned in Sri Lanka are used as a justification to offer salaries that fall short of the industry standard in the destination country.

None of the returnee migrant workers stated that the wages were poor but also showed no qualms about working long hours because they were compensated for such additional hours.

As one migrant worker pointed out “even if it is 15 additional minutes, it automatically gets counted and we are paid” (Returnee/aspirant migrant worker, Kandy, 30 January 2020). Longer working hours are accepted because of two reasons: it helps the workers reach their “target” of remitting money home and accumulating savings. Secondly, they are appreciative of the system because they are compensated for the additional number of hours they work, which is not always an industry-wide practice in Sri Lanka.

4.5. Practices regarding contracts

General Principle 8 of ILO General Principles and Operational Guidelines for Fair Recruitment emphasizes the importance of transparency regarding contracts, with both governments and employers held accountable for ensuring this is followed. A lack of transparency with regard to contracts and contract negotiations has previously been raised as being an issue in Sri Lanka (ILO 2019b), but the data collected for this study indicate that some of these aspects are better handled with regard to overseas employment in the tourism industry.

Many of the workers had received an employment contract providing details about wages, overtime payments, probation period, gratuity payments (where applicable), holidays and leave, and the contract duration (typically two years). Contract renewals were common and followed discussions with the employer. Once the original contract period ceases, the LFEA is not held responsible for any renegotiations.

When you apply for a foreign job, everything about the job is included in the agreement. When I went abroad, all the information was included in the agreement: medical, transport, allowance. We can discuss with them and negotiate. I went on a two-year contract and renewed it. I worked in the same company during my stay. But my salary increased and I received promotions during that time.

Returnee/aspiring migrant worker, male, 24 January 2020
The reason for such a streamlined process is probably because the LFEAs are providing labour to some of the leading recruitment agencies in the region, which in turn, provide labour to leading global chains, including international hotel chains and restaurants. The fact that agencies are required to recruit workers for a broad spectrum of jobs – from the lowest-skilled housekeeping and kitchen staff to highly skilled professionals for the kitchen and accounting departments – makes the issuance of a standardized contract covering the basic details of the working conditions more viable. However, existing reports also point to how sub-contracting can make migrant workers more vulnerable to labour exploitation, especially since both the employer and the LFEA in Sri Lanka can easily shun responsibility. This underscores the importance of leading hotel chains doing all the necessary due diligence concerning their labour recruitment supply chains, including ensuring compliance by LFEAs and sub-contractors. Such efforts by larger employers would help indirectly ensure that other prospective employers are meeting minimum national standards with regard to recruitment of workers.

With the exception of a single instance where a skilled worker relied on an informal contact to secure employment in a leading resort in the Maldives, none of the migrant worker respondents reported encountering any contractual problems, including contract substitution – a concern that has been raised in Sri Lanka for other types of labour migration (ILO 2019c). The level of comfort that migrant worker respondents appear to have with their overseas employment contracts could also stem from the workers’ familiarity with these practices based on previous employment in the local formal sector.

### 4.6. Information access in recruitment

Because of an overreliance on known contacts to secure overseas work, access to information is less of a problem for tourism workers than what is found in other fields of work. The immediate information about working overseas is gained through colleagues and/or family members who are working in the industry. Among the migrant worker respondents, there were few accounts of workers deciding on their own to migrate, which supports the growing literature that the migration decision-making process is complex and involves multiple actors (Guilietti 2014). For workers already engaged in the tourism industry, migration is seen as a natural step, and as indicated, for certain categories of work, a rite of passage. Workers are exposed to returnee migrant workers and/or colleagues who are already seeking ways to migrate. This creates a strong motivation to follow the same pathway.

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I decided to go abroad to overcome financial issues. This will be my first time going abroad. I am planning to go to the Maldives. I will resign [from my current job] in two, three months. I received information from my friends. Friends told me that I will be able to get around 80,000 rupees. I have my passport and I am planning to go through an agency. I don’t know much about the process of the Bureau [SLBFE], friends told me a little bit about it. I will get a loan and my friends will help me to find money.

Aspiring migrant worker, male, Kandy District, 31 January 2020
Before going to Qatar, I got to know about working hours and OT [over time] from my uncle. He told me that working there can be tiring but I could earn a lot. I was not worried about going there as my uncle had told me everything beforehand.

Returnee/aspiring migrant worker, male, Kandy District, 30 January 2020

Peers are also important sources of information concerning which LFEAs to reach out to. This was evident among those migrant worker respondents who had sought out agencies in Colombo to submit their CVs or to help them secure a visa and work permit to migrate. In a context where not many employment agencies specialize in recruitment for the tourism industry, word-of-mouth recommendations help workers employed in diverse geographical locations to find information more easily.

It is also important to take note of the rising popularity of online recruitment agencies:

The other thing is, everybody is applying online. It’s beneficial for the client. They get the [airplane] tickets and everything directly.

Manager of LFEA-5, male, Colombo District, 5 February 2020

Most of the employees apply online and go abroad. They can face the interview on Skype and they don’t need agencies. Not like those days [before the popularity of online recruitment platforms].

Manager of LFEA-1, Colombo District, 10 February 2020

While some migrant worker respondents had indeed registered with such websites, securing work through these platforms is not easy. The large number of people applying for jobs through such portals was cited as a reason for the success rate being rather poor. The level of information accessible through such portals is also limited, as there is no means of making further inquiries or requesting more details on the recruitment process. However, the number of such portals available for the hospitality industry in GCC countries alone shows that this form of recruitment is increasing in popularity.

These new forms of accessing work are disturbing the established modalities described earlier. While the employer-employee modality was referred to by the migrant worker respondents when using online job portals, the LFEA representatives indicated that some of these websites are managed by recruitment agencies established in the GCC countries, enabling them to directly recruit workers from Sri Lanka, and thereby circumvent the local LFEAs. That these new modalities have arisen in response to the expanding popularity of and ease-of-access to the internet again reinforces the importance of focusing on the role prospective employers play in the labour supply chain.
For those at the executive level, the importance of “knowing the right people” and using one’s professional networks to search for good opportunities was emphasized. It is safe to assume that in such instances, prospective migrant workers at the executive level have more access to information on the recruitment process, along with more information about the prospective employer and the working and living conditions. The level of skills held by a worker does not, however, mean that lower-skilled workers will be completely precluded from accessing information, but rather that the degree of information made available can vary depending on the skill level of the prospective worker.

Beyond securing information regarding employment opportunities and working conditions, prospective migrant workers need to familiarize themselves with an abundance of information on the documentation required in order to migrate. These include letters from employers regarding prior work history, certificates related to skills acquisition and documentation needed to secure their visa and/or work permit. It is here where LFEAs continue to serve a prominent role, as they can provide essential information on the documentation needed as well as on the best approach to follow when applying for a visa. Depending on the country of destination, LFEAs representatives will also share details regarding the police clearances and medical reports, which are either done in Sri Lanka or in the country of destination. One of the advantages of LFEAs being involved is that even if the workers are accessing the agencies only to secure their work permit, the agencies encourage the workers to register with the SLBFE – a requirement that must be fulfilled on the part of the LFEA.

This may point to why even highly skilled workers are visible in the SLBFE data. Rather than spend time securing a work permit by themselves, which can be tedious, these workers may be relying on the LFEAs to facilitate this process, resulting in these workers also registering with the SLBFE. One high-level industry stakeholder with prior work experiences overseas noted in an interview that it is the general practice among workers to register with the SLBFE prior to migrating. But as has been noted elsewhere (ILO 2019a), whether migrant workers continue to register with the SLBFE for subsequent re-migrations is not as clear from the data collected.

It is unclear if those securing work through online portals take that extra step to register with the SLBFE during the pre-migration phase. Despite using regular channels, the level of transparency offered via these portals can be quite low, especially regarding access to more detailed information about the job description, wages and access to leave. The lack of information could add a risk to the migration experiences of the workers. In such instances, registration with the SLBFE can help cushion the impact of a “bad” migration experience. However, little is still known about this growing trend of relying on online portals and how best to support workers who seek work opportunities through such entities.
4.7. The payment and incidence of recruitment fees and related costs

Recruitment fees and related costs of migration have received increased attention in the past few years (Weeraratne, Wijayasiri and Jayaratna 2018; ILO 2019a). Section A.6. of the ILO General Principles and Operational Guidelines for Fair Recruitment categorically states that governments should “take measures to eliminate the charging of recruitment fees and related costs to workers and jobseekers”. However, as the literature points out, recruitment fees are allowed in Sri Lanka, leading to varying degrees of application of this principle.

Tourism industry workers typically incur financial costs as part of the recruitment process. But this cost varies based on the country of destination, the category of work, the decisions of the prospective employer and the type of service that the LFEA provides to the prospective worker. When workers seek the assistance of an LFEA only to secure a visa/work permit, a handling fee is charged. When an agency handles the entire recruitment process it also charges a recruitment fee for their services, but this fee is not always borne by the aspiring migrant worker, as the employer may agree to pay this cost:

Sometimes, the company pays and then they ask us not to charge any fee from the applicant. Then we don’t charge. Sometimes the company says, whatever the charges, get [them] from the applicant. That is acceptable to the Foreign Employment Bureau.

Manager, LFEA-3, male, Colombo District, 13 February 2020

The role played by the prospective employer therefore is critical to understanding how recruitment costs may or may not be borne by prospective workers. This degree of control on the part of the employer can ease the financial burden on prospective workers, but it also places matters wholly at the employer’s discretion, and as seen above, some employers ask for costs to be borne by the worker. It also raises the question of who can monitor whether LFEAs are levying charges from prospective migrant workers regardless of the employer’s wishes.

Beyond the recruitment fee, there is a common set of expenses that are nearly always borne by the prospective migrant worker when they go through an LFEA:

The cost for [recruiting for] different positions depends on the company. Some provide everything for free and ask us not to charge anything from the candidate. Some say, “OK, charge less than 50,000 rupees.” It depends.

Manager, LFEA-5, male, 5 February 2020

Ninety per cent of our recruitments are free recruitments. We don’t charge any amount from them [workers]. They only have to do the basics like the Bureau [SLBFE] and medical and things. We don’t charge any amount as recruitment fee.

Manager of LFEA-4, male, Colombo District, 6 February 2020
Normally they [the workers] have to pay for the medical on their own, 14,500 rupees. They have to pay for the Bureau [SLBFE], also, 16,400 rupees. If the employer is not giving the [airline] ticket, they have to pay for that too. Then our charges. They have to get the police report and they have to go to the Foreign Ministry to get their documents. They charge 800 rupees. For the embassy – Dubai – they have to pay 3,000 rupees. Different charges, they have to pay. But we do mostly free recruitments. Some agencies, the workers have to pay the total amount. Less than 50 [thousand] is what we charge.

Manager of LFEA-5, male, Colombo District, 5 February 2020

As these statements illustrate, the general understanding among LFEAs is that they are providing “free recruitment” to workers so long as the workers do not pay the recruitment fee. But from their own statements it is clear that this “free recruitment” excludes many costs that typically have to be borne by the migrant worker, including medical examinations; securing necessary documentation, including a passport; the visa application process; and the air ticket. The practice of various costs being borne by the aspiring migrant worker was confirmed through the interviews with both aspiring and returnee migrant workers.

Well, I had to pay for government tax around 17,000 rupees, and then for the medical it was 10,000 rupees – a total of 40,000 rupees for the whole process. I didn’t have to pay anything for the agency. Our tickets were sent by the company.

Returnee/aspirant migrant worker, male, 36 years, Galle District, 24 January 2020

But the emerging popularity of new corridors – such as those to European countries – can dramatically change the costs borne by the migrant worker.

As you are applying through an agency, we have to pay [the agency] 1.5 lakhs [150,000 rupees] after we receive the tickets. Then we have to spend for the medical and other necessary things as needed. We don’t know the exact amount [to be paid to the LFEA] yet. … It is a little hard to go to a European country. From the agency, I got to know that it is a little easier to go to Romania compared to other European countries. It will cost around 4.5 lakhs [450,000 rupees]. But it is worth it, as we get visa for a European country. … For Romania, they [the LFEA] said they will provide a bank loan. Interest would be added though.

Aspiring migrant worker, male, 24 years, Galle District, 23 January 2020
The provision of a credit facility to enable aspiring workers to meet the high costs of migration was also noted in another recent study (ILO 2019). In that study, LFEAs were linking prospective migrant workers with state-owned banks. The cost of migrating to these not-yet-popular but important new destinations can be quite high, and appears to fall foul of the existing regulatory framework. This is further borne out by the experience of an in-service aspiring migrant worker’s ongoing attempt to migrate to France with two of his colleagues, which showcases high costs similar to those described in the aspiring migrant worker’s statement above.

We have to spend around 5 lakhs for the whole process. We are going abroad through an agency, [name of recruitment agency in Colombo suburbs]. They looked for our experience, language fluency, O/L and A/L certificates. I have submitted the police report for now – submitted it through the foreign embassy. Then we have to wait till we receive our documents from there [France], to complete the medical and other things. We have to spend around 4.5 lakhs [450,000 rupees] for all that. I have already paid 1 lakh [100,000 rupees] and have to pay the rest later.

Aspirant migrant worker, male, 27 years, Galle District, 23 January 2020

The attractiveness of working in Europe and the possibility to stay longer term may be used by the LFEAs to charge such high fees from the prospective migrant worker. This type of behaviour may point to the prevalence of rent-seeking on the part of the LFEAs. The fact that so few LFEAs send workers for tourism sector jobs and that European countries are considered extremely valuable destinations, creates a demand for these limited opportunities that workers would be remiss to not pursue. In addition, the high risks that lower-skilled migrant workers assume in pursuing these unchartered waters point to the importance these workers place on migrating – at whatever cost. The decent work deficits in the local industry that push workers to seek better opportunities overseas, coupled with personal aspirations to migrate, make such substantial risks appear justifiable, even if the chances of a successful migration experience may not necessarily materialize. As mentioned above, the opacity surrounding such high costs is not questioned by migrant workers because they tend to view such costs as an investment in their futures.

In general, what cannot be drawn out from the sample of migrant worker respondents is which practice is the most common: costs being borne by the employer or the shifting of costs towards the migrant worker, including the “handling fees” charged by the LFEA. More focused attention must be paid to the emerging corridor to Europe – particularly with Romania, which was cited by multiple interviewees – to track the high costs that accompany such migration pathways. The SLBFE allowing LFEAs to levy a fee on migrant workers has been criticized in policy circles, but despite the criticism the practice persists. Existing data also indicate that rather than there being a standard set of fees, the costs charged to workers can vary greatly based on the country of destination and type of work (ILO 2020b).
What is worrying is that any attempt to address costs in a manner that shifts the burden away from the prospective migrant worker must also confront the challenge that none of the migrant workers in this study indicated that the costs borne by them were a major concern. This is because for workers the anticipated return on investment is high. Workers can earn higher wages, save more and return with enhanced skills and experience. Hence, workers, especially those who wish to find employment opportunities within a short span of time, are prepared to pay such high amounts. Moreover, neither the LFEAs nor the migrant workers indicated any “hidden costs” (ILO 2019d) that had been incurred by either party.

But worker-paid migration costs are an aspect that requires more attention, especially as an increasing number of tourism industry workers are likely to search for work overseas as a result of a COVID-19 pandemic-induced slump in the local industry.

4.8. Overall transparency

Globally, large numbers of workers migrate for work in industries that frequently feature informal forms of employment, such as in domestic work and construction, which can make negative migration outcomes more likely. Migration for work in the tourism industry is more niche, and the strong formal sector presence in the industry appears to help moderate some of the potential negative aspects of migration. Migrant worker respondents, regardless of their skill level, believed the process of recruitment is relatively transparent because there is access to information and opportunities are made available to meet the prospective employer virtually. Any problems generally associated with a lack of information are mitigated by also relying on informal networks and peers.

Indeed, access to information is quite high among peer groups, with aspiring migrant workers tapping into their family and work-related networks to exchange information about upcoming job opportunities, referrals to “good” LFEAs, and what to expect in terms of costs, wages and contractual obligations. This dependence on one’s networks indicates the trust placed on such networks as opposed to government-instigated information sources, such as the 1989 hotline and the regional offices of the SLBFE. None of the migrant workers interviewed had accessed these sources of information.

This degree of access to information, however, should not be construed to mean that the recruitment process is completely transparent. The initial costs incurred by the LFEAs as the mediator and how these costs are then passed on to migrant workers are not clear. The matter of worker-paid costs requires more attention, especially in light of growing demand migrant labour in countries in the European Union. The high costs indicated by the migrant worker respondents challenge the claims by the LFEAs that recruitment costs are minimal because they tend to be borne by the prospective employer.

The role of sub-agents in bringing transparency to the recruitment process is minimal. This is partly because tourism workers are relying on their own networks to find work overseas, thus eliminating the “middle men”, but also because those same networks provide information on which LFEAs to contact. The smaller number of LFEAs that specialize in the tourism industry also makes the role of intermediaries of lesser importance because there is less competition among the LFEAs to attract a limited number of prospective workers. As noted by LFEA representatives, unlike construction and domestic work, the right qualifications, skills and work experience are very important for securing tourism work overseas. As such, sub-agents cannot be expected to be as

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11 Although none of the workers defined what constituted a “good” LFEA, trustworthiness and ability to simplify the migration process were implicitly referred to in the interviews.
effective when it comes to understanding the intricacies involved and to identifying skilled workers.

In conclusion, the process adopted to recruit workers for the tourism industry overseas shows how prospective employers play a central role in determining the outcomes for workers. Employers are able to determine not only how such workers are recruited, but also who bears the majority of the related costs. The fact that LFEAs are beholden to such employers can be beneficial to the worker, but this depends on the kind of employer the LFEA is linked to. Hence, it is of critical importance to view the recruitment of tourism workers from a global labour supply chain angle and include industry employers in policy discussions that centre on adopting a due diligence approach with regard to ensuring that costs are not passed on to workers. Such efforts have helped streamline value chains in other sectors in Sri Lanka, such as apparels, where worker rights are somewhat protected (Fernando et al. 2020).

Since the role of the employer is central, information flows and the levels of transparency afforded cannot be viewed merely through role of the LFEA. In addition, the ability of online portals to eliminate the need to go through an LFEA and thereby reduce the costs of migration, may make them more appealing to young workers. But the pitfalls of these online entities, especially in selecting a genuine employment portal, must be highlighted. As mentioned previously, whether these portals give rise to a new migration modality or fall within the existing frameworks, as well as the implications these portals have on access to information and overall safe migration must be considered in depth.

The Government, especially the institutions that are linked directly with foreign employment, must also give serious consideration to the tourism industry as an emergent hotspot in which workers are securing work overseas. The SLBFE, in particular, must look for means to expand its dissemination and awareness raising on fair recruitment and safe labour migration to these workers. While it would be short-sighted to assume that workers would automatically shift towards relying on information shared by the SLBFE instead of their peers and family members, the availability of different sources of information would better allow migrant workers to arrive at a decision that is well-informed.
5. Conclusions and recommendations
This research focused on an industry that has been touted as one of the most important to Sri Lanka's economic growth. But fundamental to the growth of Sri Lanka's tourism industry is the availability of a stock of individuals willing to work within it. In this regard, two factors were central to this study: the stubborn persistence of labour shortages within Sri Lanka's tourism industry and the outflow of skilled tourism workers to other countries.

In order to unpack the interlinkages between these two phenomena, the research was conducted with the overarching objective of creating a better understanding of the tourism sector's workforce and its migration patterns. To achieve this, the study focused on two sub-objectives: (i) understanding the labour market dynamics of the tourism and hospitality industry and their possible linkages to the migration of tourism workers, and (ii) understanding the recruitment process adopted in relation to the migration of tourism industry workers from Sri Lanka. The remaining sections of this chapter discusses the implications of the findings of the research in line with these objectives.

5.1. Attracting and retaining the industry’s workforce

As a labour-intensive sector with limited opportunities to automate, the tourism industry relies heavily on finding a steady flow of workers. Despite low barriers – education and skills-wise – to entry level positions, labour shortages persist. This is worrying, in part because the industry is inclusive in terms of being able to employ individuals from varying social and economic backgrounds. But the industry is unable to satisfy the narrative of good or respectable employment in Sri Lanka, and runs against social norms regarding suitable work for women. The continued inability to offer wages that reflect the work performed and the work pressures experienced are largely compounded by a negative feedback loop brought on by labour shortages. In this context, labour retention is further exacerbated by a workforce that is far more exposed to and aware of economic opportunities abroad, and therefore better able to access those opportunities. Hence, rather than creating labour shortages, inadequate employment opportunities and social protection gaps push people to search for work overseas.

Migration of skilled workers for better opportunities overseas has also become something of a rite of passage. Migration allows workers to gain experience and exposure that the local industry cannot offer. Consequently, while migration may contribute towards some erosion of Sri Lanka's stock of skilled tourism workers in the short term, it generates more positive outcomes for the industry as returning workers bring their enhanced skills to the industry by reengaging in the formal sector or setting up their own businesses.

The study's focus on the industry's workforce underlines the importance of adopting human resource management strategies that are able to proactively respond to the issues workers face. The fact that many workforce-related concerns raised are not unique to Sri Lanka should be used as a starting point to figure out how best to adopt a worker-centric approach to human resource management. Cases of such approaches were evident in this study, where strong role models in management and more personal relationships with the staff had led to high retention rates and better female employment.

At the macro level, therefore, the argument that the industry has great potential to create new employment opportunities is inadequate to make the industry attractive. Long-term job stability, economic stability through a decent wage scale, decent working conditions and more space for flexibility to allow for a better work–life balance must be ensured if the industry expects to attract and retain workers. To successfully encourage women to join the industry, this male-dominated
space must change from within. While women will continue to break the proverbial glass ceiling, the industry must carry out gender sensitization programmes with its existing workforce and find ways to make the working environment more enabling as well as accepting of and acceptable for young women. In a context where tourism is not the only industry struggling to find workers and where the informal sector has opened up new opportunities to “set up shop”, the failure to proactively address these issues will result in the persistence of labour shortages.

Even if such measures are adopted, the instability of the sector will continue to affect the industry’s desirability. Industry leaders, in dialogue with worker representatives as well as the Government of Sri Lanka, must focus attention on worker protection in light of the instability of the industry. The efforts taken to support the industry in the aftermath of the Easter Sunday attacks in April 2019 did very little to ensure worker protection. In the absence of an unemployment benefits scheme in Sri Lanka, incidents like this and the Covid-19 induced slump in the industry have far-reaching negative impacts on workers and on the industry’s health in the long term.

To this end, what is required is a reassessment of possible ways to protect tourism workers (and thus, the industry) during such unprecedented times. The Government of Sri Lanka could consider introducing legislation to divert at least a proportion of the Tourism Development Levy towards the protection of workers. Since the levy is paid by the industry, the burden on the industry to contribute towards an independent fund would be thus minimized.

So far, little to no focus has been directed at workforce-related concerns that arise in the informal sector of the tourism industry, despite indications that male and female workers are mostly concentrated in this sector. The limits to regulating the informal sector have been acknowledged. But given its potential to recover faster following a downturn experienced by the industry, workers who experience job losses in the formal sector may find themselves in more precarious working conditions in the informal sector. Basic safety nets for workers must be made part of the Sri Lanka Tourism Development Authority’s continuing strategies to introduce standards on quality and services to the informal sector. This yet again emphasizes the importance of using the decent work framework to propose minimum standards for the protection of workers’ rights across the industry.

Since Sri Lanka has not ratified ILO Convention No. 172, the Guidelines on Decent Work and Socially Responsible Tourism drawn up by the ILO can be used as a blueprint to review existing labour laws and practices in the Sri Lankan tourism industry and to draw up a roadmap to move forward. This would enable the Government and the industry to address the decent work deficits that have been highlighted, especially those related to insufficient economic opportunities, social protection and social dialogue.
Even in an ideal situation where many of these measures are successfully adopted, it is highly unlikely to stop the outflow of workers to other countries in search of better opportunities. Indeed, it is more beneficial for the industry to maintain its current stance with regard to worker migration, since the industry stands to benefit from workers returning with enhanced skills. This tacit agreement that international exposure is advantageous to both workers and the industry as a whole, signifies that migration of skilled workers has become a normalized process. It therefore resembles a rite of passage for workers who wish to seriously pursue a career in their chosen fields of specialization in the hospitality industry.

But what needs to be better understood is how to ensure that returnee workers are reintegrated into the workforce. While RPL certification may help workers secure a job that pays a relatively higher wage, a dedicated information portal that provides information regarding vacancies and the means to have their qualifications recognized in Sri Lanka would be more useful – both to the workers and the industry. This would also help minimize accusations of poaching of workers by new industry players, as vacancies in the industry will be more transparent.

Focus also must be directed at how returning migrant workers’ goals of setting up their own businesses can be brought to fruition through access to credit facilities and to knowledge and skills on establishing a business. For example, as noted in the findings, poor understanding of the food and beverage sector can be detrimental to operating a business. In response, access to entrepreneurship training, such as those developed by the ILO (for instance, Start and Improve Your Business, Sustaining Competitive and Responsible Enterprises) can be promoted through the SLITHM or other TVET institutes as ancillary services and training modules.

In light of the current situation where both the global as well as local tourism industries face a major period of uncertainty, a support framework for returning migrant workers must be developed. The extension of some form of social protection, at least in the short term is critical, as a significant number of workers may have experienced job losses as well as loss of wages. Such emergency situations highlight the gaps in social protection measures, but also provide a small window of opportunity to push for changes within the existing policy framework. In this regard, the SLBFE must reassess its use of the welfare fund and how best to channel its existing funding towards the welfare of migrant workers and their families.

In order for this measure to be successful, however, access to data is crucial. It is still unclear how many workers return annually after completing their work stints abroad and how long their stays tend to be, beyond the stipulated two-year contract period. This was evident in this study as well, since some of the interviewed returnees who were presently working in the industry were considering their re-migration options. It is also unclear how many workers are actually leaving the sector annually, since the SLBFE data only provides partial information. Employers must also make a conscious effort to collect data on workers’ migration histories. The current data gaps make it more difficult to build a strong case to promote efforts to integrate returnee workers.
5.3. Recruitment processes

The variations identified in the recruitment process must be taken note of in order to guide future action. The ability of the prospective employer to determine recruitment costs, the modalities of recruitment, and wages and contracts can render positive results, as was evidenced. At the same time, however, it was seen that prospective employers can withhold information as well as limit the negotiations for higher wages and/or employment benefits. While tourism industry workers are able to mitigate these shortcomings to some degree by relying heavily on their peers for information, the lack of transparency in accessing work through online portals must be analysed more closely. The emergence of Europe as a highly sought-after destination among aspiring migrant workers may result in the creation of new migration corridors, but unless the costs incurred can be regulated or managed, exploitation of workers may become more commonplace. ILO instruments, including the Private Employment Agencies Convention, 1997 (No. 181), explicitly prohibit the charging of recruitment fees or costs, in whole or in part, to workers, but the challenges involved in abolishing worker-paid recruitment costs in the Sri Lankan context must be recognized and acknowledged, especially in light of workers’ willingness to bear some burden of the costs as the returns from migration are greater. But the future role of LFEAs in this regard may become less prominent in light of online portals becoming more popular, especially if workers can avoid the burden of paying a fee to an LFEA.

In conclusion, the Sri Lankan tourism industry’s ambitious plans to carve out a growth trajectory for itself should give more serious consideration and attention to its core strength – its workforce. The strength of the industry to be inclusive must be complemented by policies and strategies that can ably support the industry’s workforce to retain their foothold in the industry as well as appeal to new workers. The fundamental issues of worker satisfaction and meeting decent work conditions need to be considered more seriously. The aversion to joining the tourism industry must be understood through the lenses of gender equality and sustainable and inclusive growth, which at their core represent the search for decent work conditions. Furthermore, by facilitating a less costly and more transparent international recruitment process, the ability of the workers to broaden their career prospects through international work experiences can be improved, and thereby help ensure the long-term sustainability of the local industry through the absorption of returnees with newly developed skills and knowledge of international standards. It is only in such a context that the growth potential of the Sri Lankan tourism industry can be realized in a sustainable manner.

5.4. Looking forward

In light of the findings and their implications, a set of short- and longer-term recommendations are proposed for action.

Short-term measures for workers:

- Tripartite organizations such as the ILO have the capacity to lobby with the Government of Sri Lanka, including the SLBFE, to provide financial and non-pecuniary support to Sri Lankan migrant workers. Measures must include support to recoup loss of wages and/or termination of contracts, along with access to basic health facilities in the country of destination. Similarly, a more comprehensive plan that enables migrant workers to return to Sri Lanka must be made a priority for the Government and the SLBFE.

- The extension of social protection measures must be implemented, at least in the short term. Since migrant worker families are denied Samurdhi benefits, some form of a safety net offered through the SLBFE, regardless of the registration status of the migrant worker, is critical at this juncture to ensure that the wellbeing of migrant workers and their families is protected.

- Access to information is crucial for migrant workers. Social media platforms of the Government of Sri Lanka, especially those of the Ministry of Foreign Affairs and the SLBFE, must be updated with new information on how to access services during this period of uncertainty in the face of the COVID-19 pandemic.

- It is as yet unclear how workers employed in the Sri Lankan tourism industry are coping during this period. A rapid assessment of the existing tourism workforce in the formal and informal sectors and those who will be negatively impacted by the downturn in the industry must be conducted. A worker-centric approach to the assessment would help highlight any decent work deficits, and help prepare the ground for lobbying with stakeholders for stronger social protection and worker representation measures in the long term.

- Government support provided for the survival of the tourism industry must be tied to the protection of workers to ease the pressure on the industry to terminate workers. Such support would help highlight the benefits of retaining the skilled workforce for the long-term health of the industry.

- The ILO can lobby the Government of Sri Lanka specifically to ensure that tourism employers adhere to the conditions of the agreement drawn between the Government, employers and some trade unions to retain their workforce while paying them at least the statutory minimum wage. Any erosion of trust in systems and agreements in place to protect workers against unfair dismissals would only make the industry even less appealing to workers.

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13 Samurdhi benefits are a fixed monthly grant provided by the Government of Sri Lanka to households identified as falling below a pre-determined monthly household income bracket.
Longer-term measures:

- The possibility to ratify the ILO Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172), must be pursued in line with promoting decent work and responsible tourism in Sri Lanka. This would enable the Sri Lankan Government and industry stakeholders to respond in a more cohesive and coherent manner to protect workers from job losses stemming from external and internal shocks. Promoting Sri Lanka as a responsible tourism destination may also help in the long run, especially with a younger generation more sensitive to the adoption of ethical and sustainability practices by industries.

- A social protection scheme that covers the large and diverse spectrum of workers in Sri Lanka, including migrant workers, must be pursued. This may take the form of an unemployment benefits scheme or any other form of safety net that assures workers – particularly young workers – some form of stability.

- Sri Lanka must collaborate with other countries of origin to lobby with international hotel chains and tourism industry employers in countries of destination to fix loopholes in the labour supply chain and to implement due diligence requirements. Since employers play a central role in determining who bears the costs of recruitment and the migration modalities used, their commitment to fair recruitment principles can exert pressure on LFEAs in Sri Lanka to comply with minimum standards. Looking forward, such efforts would also help address concerns regarding ethical recruitment practices increasingly demanded by tourists.


Annexes
## Annex 1. Breakdown of interviews conducted

### Annex table 1. Breakdown of interviews by category of worker and location

<table>
<thead>
<tr>
<th>Category/location</th>
<th>Number of respondents</th>
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<tbody>
<tr>
<td>Colombo</td>
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<tr>
<td>Returnee</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Returnee/aspirant</td>
<td>–</td>
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<tr>
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</tr>
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</tr>
<tr>
<td>Returnee/aspirant</td>
<td>–</td>
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<tr>
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</tr>
<tr>
<td>Returnee</td>
<td>6</td>
</tr>
<tr>
<td>Aspiring</td>
<td>3</td>
</tr>
<tr>
<td>Returnee/aspirant</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
</tr>
<tr>
<td>In-service</td>
<td></td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>2</td>
</tr>
<tr>
<td>Maldives</td>
<td>2</td>
</tr>
<tr>
<td>Australia</td>
<td>1 (female)</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total all locations</strong></td>
<td><strong>32</strong></td>
</tr>
<tr>
<td>- = nil.</td>
<td></td>
</tr>
</tbody>
</table>

### Annex table 2. Number of stakeholders interviewed, by type and district

<table>
<thead>
<tr>
<th>Type of stakeholder</th>
<th>No. of interviews conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>9</td>
</tr>
<tr>
<td>Association representatives</td>
<td>7</td>
</tr>
<tr>
<td>Skills training institutes (including gov’t and private)</td>
<td>8</td>
</tr>
<tr>
<td>Government entities</td>
<td>3</td>
</tr>
<tr>
<td>Recruitment agencies</td>
<td>5</td>
</tr>
<tr>
<td>Non-government entities</td>
<td>1</td>
</tr>
<tr>
<td>Trade union representatives</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
</tr>
</tbody>
</table>
Annex 2. Quantitative analysis

There were two ways to extract the statistics required: (i) occupation-wise statistical analysis and (ii) industry-related statistical analysis. The pre-coded questions about occupations and industries were identified from the Department of Census and Statistics’ Labour Force Survey (LFS) and categorized into tourism-related occupations and industries and into non-tourism-related occupations and industries. These occupations and industries were coded according to the Sri Lanka-standard Occupation Classifications and Sri Lanka-standard Industry Classifications, as follows:

1. Tourism occupations fall under five categories:
   a. hotel and restaurant managers
   b. receptionists
   c. building and housekeeping supervisors
   d. chefs and cooks
   e. waiters and bartenders.

2. Tourism industries also fall under five categories:
   a. accommodation and food services
   b. food and beverage
   c. tour reservations and guides
   d. travel and tour operators
   e. transport of tourists.

However, data discrepancies concerning employment in the Sri Lankan tourism industry were noted within the LFS datasets, as well as between LFS statistics and statistics from the Sri Lanka Tourism Development Authority (SLTDA). As can be seen in annex table 5 below, LFS statistics calculated for tourism occupations do not tally with the statistics calculated for the tourism industry. Likewise, employment numbers differ between the LFS datasets and the SLTDA datasets. The differences in data captured by the LFS of some tourism-related occupations and industries are the likely cause for this discrepancy (see annex tables 3 and 4).

Annex table 3. Tourism-related occupations captured by the LFS versus those captured by the SLTDA

<table>
<thead>
<tr>
<th>Labour Force Survey (LFS)</th>
<th>Sri Lanka Tourism Development Authority (SLTDA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel &amp; restaurant managers</td>
<td>Hotels &amp; restaurants</td>
</tr>
<tr>
<td>Receptionists</td>
<td>Travel agents and tour operators</td>
</tr>
<tr>
<td>Building &amp; housekeeping</td>
<td>Guides</td>
</tr>
<tr>
<td>Chefs &amp; cooks</td>
<td>Airlines</td>
</tr>
<tr>
<td>Waiters &amp; bartenders</td>
<td>Agencies providing recreational facilities</td>
</tr>
<tr>
<td></td>
<td>Tourist shops</td>
</tr>
<tr>
<td></td>
<td>National tourist organization</td>
</tr>
<tr>
<td></td>
<td>State sector</td>
</tr>
</tbody>
</table>
### Annex table 4. Tourism-related industries captured by the LFS versus those captured by the SLTDA

<table>
<thead>
<tr>
<th>Labour Force Survey (LFS)</th>
<th>Sri Lanka Tourism Development Authority (SLTDA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation &amp; foods and services</td>
<td>Managerial, scientific and professional staff</td>
</tr>
<tr>
<td>Food &amp; beverages</td>
<td>Technical, clerical, allied and supervisory</td>
</tr>
<tr>
<td>Tour reservations &amp; guides</td>
<td>Manual and operative</td>
</tr>
<tr>
<td>Travel &amp; tour operators</td>
<td></td>
</tr>
<tr>
<td>Transport of tourists</td>
<td></td>
</tr>
</tbody>
</table>

### Annex table 5. Number of workers in the Sri Lankan tourism industry according to different datasets, 2013–17

<table>
<thead>
<tr>
<th>Dataset</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LFS (Occupation)</td>
<td>64 916</td>
<td>65 098</td>
<td>79 206</td>
<td>83 071</td>
<td>81 266</td>
</tr>
<tr>
<td>LFS (Industry)</td>
<td>151 307</td>
<td>159 986</td>
<td>175 821</td>
<td>176 609</td>
<td>182 604</td>
</tr>
<tr>
<td>SLTDA (Managerial + Technical + Operative)</td>
<td>112 550</td>
<td>129 790</td>
<td>135 930</td>
<td>146 076</td>
<td>156 058</td>
</tr>
<tr>
<td>SLTDA (Managerial + Technical)</td>
<td>65 143</td>
<td>78 386</td>
<td>80 668</td>
<td>86 330</td>
<td>89 774</td>
</tr>
</tbody>
</table>


However, given the lower degree of data discrepancies between the LFS (Occupation) figures and the total managerial and technical employment captured by the SLTDA, occupation rates were chosen as the main source of micro data analysis. Furthermore, if there were outliers and exponential increases or decreases over the five-year period, they were ignored. Only one such case was found, and relates to the district-wise spread of tourism occupations that occurred in Anuradhapura District in 2017.
This report was produced by the ILO Global Action to Improve the Recruitment Framework of Labour Migration project (REFRAME), supported by the European Union. The REFRAME project aims at preventing and reducing abusive and fraudulent recruitment practices, and maximizing the protection of migrant workers in the recruitment process and their contribution to development.