

# DETERMINANTS FOR LABOUR MARKET REINTEGRATION OF RETURNED MALE LABOUR MIGRANTS IN SRI LANKA

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## Introduction

Returning migrants are defined as persons who return to their country of citizenship after having been international migrants on a short-term or long-term basis in another country and are intending to stay in their own country for at least a year (OECD, 2007). Labour migration is one of the four most common types of migration in the world. It is a movement of persons from one state to another, or within their own country of residence, for employment (PopEd Blog, 2019). International Organization for Migration (IOM) defines reintegration as the re-inclusion or re-incorporation of a person into a group or process. Thus, it is a process that enables returnees to re-join the social, cultural, economic, and political environments in their country of origin (IOM, 2015). Nevertheless, reintegration seems to be an essential process for return migrants which helps returnees to settle in the society in the country of origin. Ruben et al. (2015) have identified three main elements of any successful integration process namely: (a) opportunities to become self-sufficient (economic reintegration), (b) access to social networks (social reintegration) and (c) psychosocial health (psychosocial reintegration). Reintegration of return migrants into the domestic labour market is all about economic reintegration.

The main drivers of Sri Lanka's out migration are low per capita income, unemployment and/or underemployment, high inflation, indebtedness, and lack of access to resources. These drivers seem to be common for all South and South-West Asian countries which have an out-migration process (De Silva & Siriwardhane, 2014). Before 1970s, Sri Lanka was ranked as a non-migrant country but the beginning of the "oil boom" in the Gulf enabled Sri Lanka to supply "contract migration" mainly to the countries in the Gulf region.

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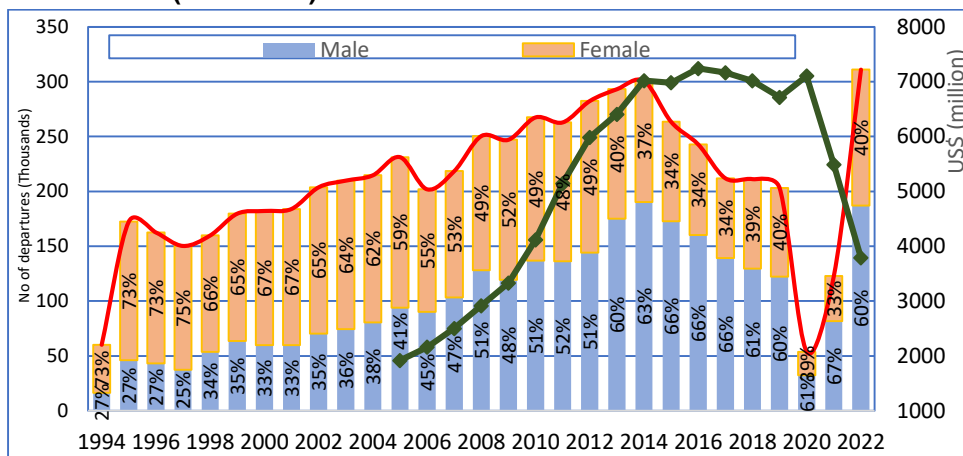
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Further, a significant improvement in the out-migration flow developed with the country's open economy policy in 1977. Although in 2017 ILO estimated over one million migrant workers abroad (ILO, 2017), there is no reliable source to estimate the current Sri Lankan migrant workers abroad as per the substantial changes in the number of departures for foreign employment and returnees due to Covid-19 pandemic situation since late 2019. Nevertheless, Sri Lanka has achieved more than 10 times increase in the number of out migrations during the last 2 decades and continuously reported over 200,000 annual departures for foreign employment during 2002-2022, except the Covid-19 pandemic period of 2020-21.

Annual departures for foreign employment by gender (1994-2022) and foreign remittance in US\$ (millions) from 2005-22 are shown in Figure 1. After having a continuous increase from 1994, the turning point was reported in 2014 (300,703 departures) and then it has shown a rapid decrease with having a huge drop in 2020-21 purely due to Covid-19 pandemic. Thereafter the ever-highest departure (311,056) was recorded in 2022. More female contributions to the annual total departures were shown till 2013 and the trend started changing to more male contribution from 2014. Despite the decrease in number of departures from 2014, the remittance shows a slight increase annually except for a drop in the year 2019.

Economic reintegration or reintegrating return migrants into the domestic labour market is a vital leg of the whole migration phenomenon. Although various initiatives were introduced by the Sri Lankan authorities for reintegration, finding employment for the overwhelming majority of return migrants has become their own responsibility. On the other hand, with overseas experience return migrant workers may be competitive in the local labour market and some are capable to invest their remittance for self-employment. This paper intends to identify the factors which contribute to reintegrating return male migrant workers into the domestic labour market.

**Figure 1: Departures for foreign employment by gender (1994-2022) and remittances (2005-2022)**



Source: SLBFE (2022)

## Review of literature

A considerable body of literature could be found on labour migration in Sri Lanka, but little attention has been given to the areas of economic reintegration of return migrants. This may be due to the lack of proper data sources on return migrants and the difficulty in conducting such studies at national level.

Alikhan (2015) finds in his study on economic reintegration of Sri Lankan return migrants from Middle East that Sri Lanka had failed to give much attention to the return migrants and the majority of male and female returnees are struggling to find employment in the local job market. He further suggested implementing proper policies to support the absorption of return migrants into the domestic labour market.

Another study of Sri Lankan experience about contract labour migration and reintegration of return migrants by Athukorala (1990) discusses to what extent labour exporting can monitor the reintegration process in terms of self-employment scheme introduced by the local labour administration. The study ultimately finds that advice and training return migrants to establish their own businesses, spending their savings has not given a successful outcome.

A study on re-integration of Pakistani return migrants from the Middle East shows that return migrants are more likely to be unemployed than non-migrants irrespective of the period elapsed since their return. Occupation of return migrants and their work experience during pre-migration and migrated periods appear to have a greater influence on re-integration of the domestic labour market

other than the variable related to their economic position. It also reveals that there is less possibility to invest the savings of return migrants for self-employment (Arif, 1998).

An Armenian study on return migrants and reintegration identifies that one of the major problems faced by return migrants is lack of information which turn as an obstacle to their reintegration process. Addressing employment issues of returnees, the study recommends conducting requalification training, creating additional opportunities in agriculture sector in rural areas, provide financial support to business projects and business consultation (Chobanyan, 2013).

A Pakistan study on return migration and their occupation change reveals that there was a higher chance for return migrants to change their occupation from low status occupation prior to the migration. Further, saving from remittance gave strength to them finding independent employment mainly in the business and agriculture sectors. This change is strongly related to the period of stay abroad. However, it is noted that businesses and farms established by the return migrants were small-scale (Arif & Irfan, 1998).

A study on reintegration of Sri Lankan returnees from South Korea discovers specific findings in terms of economic reintegration compared to returnees from other destination countries. As per the terms and conditions of labour migration into South Korea, fairly educated and hardworking youngsters migrate to South Korea for a limited period of 5 years fixed term labour contract. It was found that 60 percent of the returnees engaged with business ventures which were in line with their migration objective to save money and start a business. Around 30 percent are planning to re-migrate and the rest have not shown any interest in re-migration. Although the migrant workers have learned new skills and experienced new values including commitment and dedication to work, workplace equality and reaching difficult targets etc. while working in South Korea, they do not get the opportunity to apply those skills and good practices locally. Therefore, the study recommends having a practical long term reintegration plan in Sri Lanka to absorb new skills and experiences (Karunaratne & Abeygunawardana, 2018).

## **Data and methods**

Main data source of the study is a sample survey on returned migrants which was conducted by Sri Lanka Bureau of Foreign Employment (SLBFE) in 2016/17. The survey covered 4 District Secretariat (DS) divisions in Kalutara District for international labour migrants as respondents. Selected return migrants for the survey had to fulfill 3 inclusion criteria: completion of foreign employment for at least two years; no intention of leaving Sri Lanka again for foreign employment and currently residing in selected 4 DS divisions; staying in Sri Lanka at least six months but not more than five years after return from the last foreign employment.

One to one interview method has been adopted for data collection with a pre-tested quantitative type of questionnaire.

The survey covered 600 individual return migrants, 286 males and 314 females. Table 1 shows the current economic activity of the study sample of return migrants.

**Table 1: Current economic activity by sex**

Current economic Activity	Sex					
	Male		Female		Total	
	No	%	No	%	No	%
Unemployed	47	16.4	105	33.4	152	25.3
Self-employed	95	33.2	9	2.9	104	17.3
Employed	144	50.3	74	23.6	218	36.3
Housewife	0	.0	126	40.1	126	21.0
Total	286	100.0	314	100.0	600	100.0

Note: Unemployment rate of males in 2016 was 2.9 (Department of Census and Statistics, 2016)

Source: Survey data

Due to a large proportion (40%) of female return migrants reporting their current economic activity as “Housewife” a clear picture of the re-integration of female return migrants into the domestic labour market does not exist. Hence, the study excludes female return migrants and analysis is restricted to the sample of 286 male return migrants.

The analysis is mainly focused on the comparison of two groups: those who are integrated into the domestic labour market (currently employed) and not integrated (currently unemployed). This classification is based on the question posted in the survey on current economic activity. Other than the comparison of the two groups with factors that contributed to reintegration, the analysis was further extended to compare currently employed groups in the capacity of their employment status. Bi-variate analysis is performed with appropriate statistical testing.

## Results

Of 286 male return migrants, only 16.4 percent were unemployed at the time of the study. Another 50.3 percent of them are currently employed in government or private sector and around one third (33.2%) are self-employed. The fact that almost 84 percent of male return migrants in the sample are currently employed means they are re-integrated into the local labour market. Thus, unemployment rate of the study sample is 16.4 percent, which is significantly higher than the overall male unemployment rate in Sri Lanka (Table 1).

### ***Influence of demographic factors***

Age is one of the major demographic factors that influences in getting absorbed into the labour market. Return migrants were grouped according to their current age and the number of return migrants who fall into two categories of current employment status was compared (Table 2).

The mean age of currently employed male return migrants is clearly less than the mean age of those who are unemployed. The difference between the 2 means is about 4 years, and age of all employed return migrants is close to the mean (Standard Deviation = 8.5) when compared to ages of the unemployed (widely spread with SD = 11.3). More than 60 percent of employed return migrants are in the age of less than 40 years while the unemployed proportion of less than 40 years is about 42 percent. Difference in 2 mean ages between unemployed and employed groups is significant ( $p < 0.05$ ).

**Table 2: Age by current employment status**

Age in groups	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
20-29 years	6	12.8	33	13.8	39	13.6
30-39 years	14	29.8	111	46.4	125	43.7
40-49 years	12	25.5	66	27.6	78	27.3
50-59 years	11	23.4	27	11.3	38	13.3
60-69 years	4	8.5	2	.8	6	2.1
Total	47	100.0	239	100.0	286	100.0
Mean age	42.3		38.7		39.3	
Std. Div.	11.3		8.5		9.1	

Note:  $t = 2.50$ ,  $df = 284$ ,  $p = 0.013$

Source: Sample survey on returned migrants by SLBFE, 2016/17

The level of education or the highest level of education achieved by the return migrants is cross-checked with their current employment status in Table 3.

**Table 3: Highest level of education by current employment status**

Level of Education	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
Primary (Grade 1-5)	3	6.4	7	2.9	10	3.5
Secondary (Grade 6-11)	19	40.4	69	28.9	88	30.8
G.C.E (O/L) completed	15	31.9	114	47.7	129	45.1
G.C.E(A/L) completed	7	14.9	46	19.2	53	18.5
Diploma	3	6.4	3	1.3	6	2.1
Total	47	100.0	239	100.0	286	100.0

Note: Chi-square = 10.54,  $df = 4$ ,  $p = 0.032$

Source: Sample survey on returned migrants by SLBFE, 2016/17

More educated return migrants seem to be getting into employment compared to unemployed migrants. More than 68 percent of employed migrants studied up to GCE (O/L) or above. The proportion is the same for unemployed migrants (53%). On the other hand, the portion of primary or secondary level educated unemployed returnees is close to 47 percent. Same level educated employed returnees is 31 percent. The Chi-square test indicates a significant difference between the 2 distributions at  $p < 0.05$  level.

### ***Influence of number of times migrated and period of stay***

Close to half of the returnees have migrated for foreign employment more than once. Is there any positive impact on finding employment by the number of times migrated? Table 4 shows the distributions of currently unemployed and employed returnees with the number of times migrated.

**Table 4: Number of times migrated by current employment status**

Number of times	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
One	22	46.8	137	57.3	159	55.6
Two	12	25.5	63	26.4	75	26.2
Three or more	13	27.7	39	16.3	23	18.2
Total	47	100.0	239	100.0	286	100.0

Source: Sample survey on returned migrants by SLBFE, 2016/17

More than half (57%) of currently employed returnees have migrated only once. The corresponding percentage of unemployed group is 10 percent less (47%). Around one fourth of both unemployed and employed returnees have migrated twice. But there is a difference in employment between the two proportions of returnees who had migrated three or more time compared to those who migrated twice (27.7% vs 16.3%). However, there is no sufficient evidence to show an association between the number of times migrated and employment status (Chi-square = 3.57,  $df = 2$ ,  $p = 0.168$ ). Total period of stay abroad for foreign employment was computed considering time spent for each and every migration and is compared with the employment status (Table 5).

Close to two third (71%) of currently employed returnees stayed a total of less than 6 years while the corresponding figure for currently unemployed returnees is 57 percent. Comparatively longer period has been spent by currently unemployed returnees (mean of 70.1 months) than employed returnees (mean of 56.3 months). Independent sample T test confirms a significant difference in mean period of stay between the two groups ( $p < 0.05$ ).

**Table 5: Total period of stay abroad by current employment status**

Period stay	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
< 2 years	5	10.6	20	8.4	25	8.7
2-4 years	14	29.8	84	35.1	98	34.3
4-6 years	8	17.0	67	28.0	75	26.2
6-10 years	11	23.4	49	20.5	60	21.0
10+ years	9	19.1	19	7.9	28	9.8
Total	47	100.0	239	100.0	286	100.0
Mean period (Months)	70.1		56.3		58.5	
Std. Div.	52.6		38.8		41.6	

Note:  $t = 2.1$ ,  $df = 284$ ,  $p = 0.037$

Source: Sample survey on returned migrants by SLBFE, 2016/17

### ***Influence of potential skills gained for employability***

Respondents were asked to explain whether they received on the job training in a relevant profession during the period of migration. The data were categorized into two groups who received training in relevant professions and who haven't received training. Distribution of returnees by their current employment status and status of training received is given in Table 6.

Though there is no significant difference between the two proportions of trained migrant workers in their foreign employment within their current employment status, the proportion of unemployed returnees who were trained abroad is slightly higher than employed returnees.

**Table 6: Training in relevant profession by current employment status**

Training status	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
Trained in relevant profession	21	44.7	98	41.0	119	41.6
Not trained in relevant profession	26	55.3	141	59.0	167	58.4
Total	47	100.0	239	100.0	286	100.0

Source: Sample survey on returned migrants by SLBFE, 2016/17

Respondents were also asked to report the experience gained relevant to the profession abroad. Such information was recorded into 2 pre-coded levels: those who gained experience in the relevant profession and those who had not gained significant experience (Table 7).



**Table 7: Gained experience relevant to profession by current employment status**

Experience	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
Gained experience relevant to profession	24	51.1	105	43.9	129	45.1
No significant experience gained	23	48.9	134	56.1	157	54.9
Total	47	100.0	239	100.0	286	100.0

Source: Sample survey on returned migrants by SLBFE, 2016/17

Forty-five (45) percent of returnees have gained experience relevant to the profession in their migrated employment. Comparison of proportions between currently unemployed and employed indicates that a higher proportion of currently unemployed returnees have gained experience (51%) than the current employees (44%). But no statistically significance difference is shown between the 2 distributions (Chi-square = 0.81, df = 1, p = 0.369).

The survey inquired from the respondents about the types of vocational skills gained in foreign employment. Vocational skills such as labour, craftsmanship, supervisory, managerial, policy planning and other relevant to their jobs were prompted. Table 8 shows the number and percentage of returnees who 'gained' or 'not gained' vocational skills in their foreign employment by their current employment status.

**Table 8: Vocational skills gained in foreign employment by current employment status**

Vocational skills	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
Gained	38	80.9	178	74.5	216	75.5
Not gained	9	19.1	61	25.5	70	24.5
Total	47	100.0	239	100.0	286	100.0

Source: Sample survey on returned migrants by SLBFE, 2016/17

Generally, more than one third of returnees gained vocational skills relevant to their occupation in foreign employment (Table 8). Percentage of currently unemployed who gained vocational skills is higher than the current employees (81% vs. 75%).

Data was collected on improvement in soft skills as a result of overseas employment by listing specific soft skills. It was identified that almost all the returnees have improved some kind of soft skills in their overseas employment while only 8 returnees (2.8%) have reported no improvement. Table 9 compares

number and percentage of currently unemployed and employed returnees for improvement of each soft skill.

**Table 9: Improvement in soft skills as a result of overseas employment by current employment status**

Improvement in soft skills	Current employment status					
	Unemployed		Employed		Total	
	No	%	No	%	No	%
Leadership	29	61.7	133	55.6	162	56.6
Commitment	38	80.9	187	78.2	225	78.7
Risk Handling	28	59.6	132	55.2	160	55.9
Time Management	33	70.2	172	72.0	205	71.7
Team Work	29	61.7	147	61.5	176	61.5
Obedience	27	57.4	131	54.8	158	55.2
Courageousness	37	78.7	184	77.0	221	77.3
Determination	38	80.9	185	77.4	223	78.0
Not improved any	4	8.5	4	1.7	8	2.8
N	47		239		286	

Source: Sample survey on returned migrants by SLBFE, 2016/17

There is no significant difference in the improvement of any of the soft skills between currently unemployed and employed groups. Nevertheless, in percentage terms, every skill improved by unemployed returnees is always slightly higher than current employees except 'Time management'.

## Discussion and conclusion

When analysing the current employment status of the sample of return migrants, half of them are currently employed in the government or private sector, one third (33%) are self-employed and the balance of 16 percent are unemployed (Table 1). How soon were they absorbed into the domestic labour market after the return? It has been revealed that 40 percent of the returnees succeeded in finding employment within less than 6 months of returning. Of the 95 self-employed returnees, close to half (48%) established their self-employment in less than 6 months after returning and just above one third of others (36%) were able to find employment during the same period (table is not presented). This alarms a signal of how capable return migrants are getting established in entrepreneurship irrespective of their intention.

Annual Report of Sri Lanka Labour Force Survey (2016) highlights unemployment rate for the country as 4.4 percent, male and female unemployment rates are 2.9 and 7.0 percent respectively. Further, it was reported unemployment rate in the Kalutara district, where the preset study was conducted was 3.0 percent (DCS, 2016). Unemployment rate of our study sample (16.4%) is very far from the district as well as national level rates. As per one of the definitions of unemployment which is lower unemployment rates share good economic health

of a country, these statistics help us to understand the real situation of return migrants in Kalutara district.

Age of the returnee seems to be an important factor in finding employment in the local labour market. Since the mean age of currently employed returnees is below 40 years which may have been associated with the average age of requirement. On the other hand, older ages especially over 40 years may not be a qualification for requirements. Thus, younger ages influence returnees to find appropriate occupations in the domestic labour market. Comparatively low levels of education are having unemployed return migrants than employed. In other words, the percentages of employed return migrants who obtained a higher level of education are always higher than the education level of unemployed returnees. It is evident that the current employment status is associated with the level of education. It can be concluded that the level of education of the return migrant influences engagement in employment.

Analysis was carried out with 2 variables related to migration which are the number of times migrated and the entire period of stay abroad for foreign employment. Repeat migration is not a rare incident as close to half of returnees have migrated two or more times for foreign employment. Among multiple time migrants, one fourth (or close to 25%) which is an equal percentage reported in both categories, unemployed and employed. It is also revealed that proportion of unemployed returnees who had migrated more than 2 times is visibly higher than the corresponding proportion of employed returnees. However, there is no such evidence to establish an argument on the influence of 'times migrated' to the current employment status. Generally, it can be assumed that the entire period of stay abroad for foreign employment is longer when having multiple time migrations as per general employment contract period is fixed. Thus, longer time stay abroad happens due to more times of migration. Accordingly, a significant difference in mean time period stay between unemployed and employed returnees is reported as having a lower figure for currently employed returnees. The fact is that a longer period of stay does not support absorption into the domestic labour market.

Four types of potential skills gained by the returnees were considered to check for any influence on the current employment status. Firstly, training in a relevant profession is considered. Although a bit higher proportion of currently unemployed returnees has got trained in relevant professions than currently employed returnees, there is no evidence to say relevant profession influences for finding employment. More than half of currently unemployed returnees have gained experience relevant to their profession while less than half of currently employed returnees gained the same. Regardless of the difference in percentages between the 2 groups, gained experience is not an influential factor

to find local employment for returnees. Similarly, in percentage terms, vocational skills were gained by more currently unemployed returnees than currently employed returnees with a difference of around 6 percent. Although the gained experience seems to have a negative effect on being locally employed in terms of percentage comparison, an unshakable decision cannot be made. Interestingly, almost all the soft skills were improved by currently unemployed returnees than current employees. But there is no ground to identify the influence of any of the soft skill improvements to find employment.

Although in Sri Lanka, there are few programmers for reintegration of returning migrant workers (Ministry of Foreign Employment, 2015), in the present study more than 16 percent of male returnees were identified as unemployed and another 33 percent engaged in self-employment. During the COVID-19 pandemic period and the current serious economic depression era both the above groups might have faced serious challenges in their economic security.

As of the present study the mean age of the male returnees were less than 40 years. Thus, a long period of time is available for productive employment in their subsequent life. Successful reintegration of these male returnees would be heavily influenced by their savings, investment, and entrepreneurial skills. Undoubtedly, most of the male returnees gained experience in a particular field and acquire transferable skills.

It is imperative that the local labour market be prepared to absorb returnees and use their experience and skills gained for the development of the country.

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