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Ban on female migrant workers

Skills-differentiated evidence from Sri Lanka

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Abstract: This study examines the skills-differentiated impact of a restrictive female labour migration policy in Sri Lanka using monthly departure data from 2012 to 2018 in a difference-in-difference model. The Family Background Report policy has resulted in decreasing departures among lower-skilled groups—female domestic, unskilled, semi-skilled, and skilled workers—and increasing departures among middle-level and professional workers. The decrease in departures of lower-skilled groups is consistent with the objectives of the policy and existing impact evaluation studies, while the increase in higher-skilled workers is consistent with the literature on Family Background Report-related corruption and mis-reporting of skills to avoid the policy. Thus, the policy is associated with higher involvement of lower-skilled workers in recruitment-related corruption, higher exposure to recruitment-related vulnerability, and lower foreign employment opportunities. The study also finds that it was appropriate to exempt the 45–49 year age group from the Family Background Report requirement in 2017.

Key words: labour migration, employment, female, difference-in-difference, skills

JEL classification: J16, J22, J24, J61

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1 Introduction

Female labour migration is an important facet of the global labour market. The latest estimates show that females account for an almost equal share (48 per cent) of global migrant workers (IOM 2019). However, many labour-sending countries have imposed various age restrictions, consent requirements, or bans on female migration at different points in time (Napier-Moore 2017). In Sri Lanka, the Family Background Report (FBR) was introduced in July 2013 to restrict mothers of children under five years of age in seeking employment in domestic worker jobs abroad. In August 2015, the policy was further extended to cover all female employment abroad.

The FBR was mainly introduced to avoid family breakdown at country of origin and to safeguard the rights of left-behind children (MFEPW 2014). This line of reasoning was based on reports of neglect and abuse of children who were left behind in female migrants' households rather than on a comprehensive analysis of the reasons for such abuse and neglect, and it did not factor in the positive impact on families and children of fathers and extended families caring for children (UN 2015). As such, the rationale for introducing restrictions in Sri Lanka is linked to the social norm of females bearing more of the responsibility for unpaid care work in families and households (Ferrant et al. 2014; Stiglitz et al. 2009). As UN (2015: 25) showed, the FBR policy is based on the ideology of the 'mother as primary care-giver and father as head-of-household'. At the same time, financial constraints within households place a greater responsibility on females, leading them to willingly seek paid employment to supplement the household income. This results in large numbers of women struggling to balance their income-earning and caring responsibilities in households (ILO 2019). The literature shows that many female migrant workers seeking domestic work abroad have no alternative job opportunities in Sri Lanka and were previously unemployed or underemployed (Caritas Sri Lanka n.d.; Human Rights Watch 2007; SLBFE 2012). Thus, restricting female domestic workers, and later all female workers, in undertaking foreign employment through the FBR policy serves as an employment restriction for these women.

Previous international studies on the impact of bans on female migration have shown effects ranging from a decrease in female departures, diversion of migration flows to other countries, departures through illegal channels, adverse outcomes for family members, and the triggering of diplomatic negotiations (Gamburd 2020; Henderson et al. 2020; ILO 2015; UN 2015; Weeraratne 2016, 2018). These studies focus on all banned females as a homogenous group. However, females from different skills groups face different outcomes due to labour migration or being restricted from same. For instance, labour migration increases the likelihood of low-skilled workers being employed, and it increases their vulnerability and their risk of exploitation during the recruitment and in-service periods (Weeraratne 2014). Similarly, mothers' levels of skills and related labour migration experience have distinct outcomes for their children. For example, the UN (2015) notes that the children of lower-skilled women are more vulnerable and likely to suffer more deeply in the absence of their mother than the children of more-skilled mothers. Despite the importance of understanding whether female migration bans have skills-differentiated implications for migrants, no previous study has homed in on these skills differences.

This article contributes to the existing literature by providing the first assessment of the skills-differentiated implications of a migration ban by addressing the research question: what are the skills-differentiated implications of the female migration ban in Sri Lanka? These implications are analysed by adopting difference-in-difference (DID) methodology, using aggregate level monthly departure data from Sri Lanka for the period from 2012 to 2019 and validating quantitative findings through qualitative key informant interviews with a policy maker and a recruitment agent. The paper finds that the FBR policy has decreased the departures of female migrant workers in the

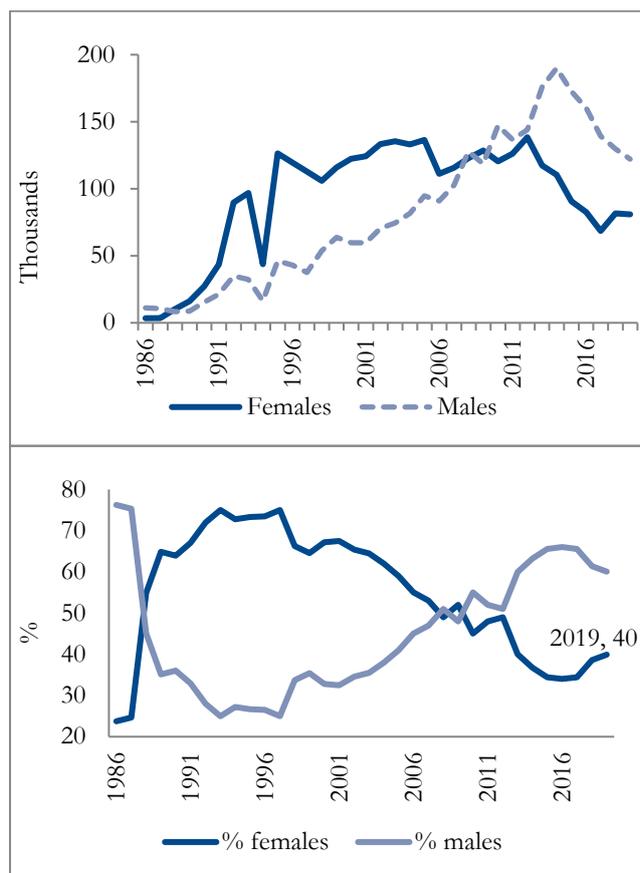
female domestic worker (FDW), unskilled, semi-skilled, and skilled worker groups, and has increased the departures of middle-level and professional workers. The decrease in departures in lower-skilled groups is consistent with the objectives of the policy and existing impact evaluation studies. The finding of increased migration of professional and middle-level workers is consistent with existing literature on FBR-related corruption and the mis-reporting of skills to avoid the policy. Thus, the FBR policy is associated with higher involvement of lower-skilled workers in recruitment-related corruption, a higher exposure to recruitment-related vulnerability, and lower foreign employment opportunities. The study also finds that it was appropriate to exempt the 45–49 years age group from the FBR requirement in 2017.

The remainder of the article is organized as follows. Section 2 provides some background on labour migration from Sri Lanka in terms of historical trends, the current context, and the introduction of the FBR policy. Section 3 reviews the literature, starting with theory related to migration bans and restrictions, followed by international and Sri Lankan empirical literature on migration bans. Section 4 introduces the data used in the study and the DID methodology, followed by the estimation process and results in Section 5. Here, separate models are estimated by skills group to analyse the impact of the introduction of the FBR policy, followed by a sensitivity analysis for specification and two placebo tests where the policy intervention is hypothetically set to the dates and skills groups that were not covered by the policy. The results are discussed in terms of the implications for different skills groups in Section 6, followed by a summary and recommendations for the way forward in Section 7.

2 History and context of labour migration

Organized labour migration from Sri Lanka commenced in the 1970s, much earlier than the formulation of the National Labour Migration Policy in 2008. During these early years of labour migration, females accounted for the overwhelming majority of departures. In 1989 and 2008, male and female departures comprised an equal share of labour departures, while the female share was much larger than that of males in the years in between. For instance, as Figure 1 shows, from 1988 to 2008, labour migration was dominated by female migrant workers, reaching a peak of 75 per cent of labour departures in both 1993 and 1997. The decline in the relative share of females over the period from 2008 to 2016 has been attributed to various policies such as encouraging skilled migration over low-skilled migration, the introduction of higher minimum wages for domestic workers, and restrictions on the migration of mothers (Weeraratne 2018). Since 2016, the relative share and the absolute number of female migrant worker departures has been increasing. In 2019, a total of 80,985 females migrated to take up foreign employment, accounting for 40 per cent of the total of 203,186 worker departures.

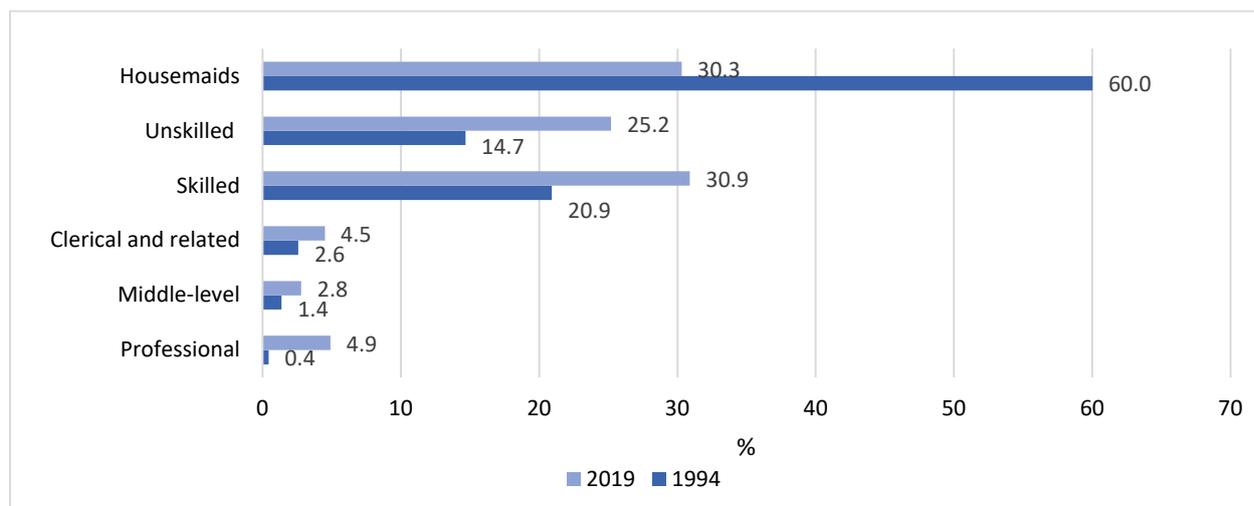
Figure 1: Gender and labour migration from Sri Lanka 1986–2019



Source: author's illustration using SLBFE (2018) and CBSL (2019).

Although the various policy measures have been successful in decreasing the share of female departures, their success in changing the skills and destination composition has been limited. Specifically, over nearly 40 years of organized labour migration, the Middle East has remained the main destination region for Sri Lankan workers. For instance, in 2019, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates attracted 21, 20, 18, and 16 per cent of total departures from Sri Lanka, respectively. In terms of skills, by 2019, over 50 per cent of migrant workers were still concentrated in the lowest skill groups, identified as FDW and unskilled workers. The share of FDWs halved from 60 per cent to 30 per cent between 1994 and 2019, but they accounted for the largest skills group among departures (see Figure 2). In recent years, the group identified as skilled workers accounted for less than a third of departures, while the middle-level and professional skilled groups only accounted for very small proportions of departures. Migrant workers' wages and their remittances to Sri Lanka vary according to their level of skills. In 2019, a total of US\$6.7 billion (8 per cent of GDP) was remitted to Sri Lanka. In a sample of 600 remitters, relative to their wages, the highest share of remittances (77 per cent) was sent to Sri Lanka by FDWs. As shown in Table 1, this large proportion of remittances was sent by those earning the lowest average monthly wages overseas (LKR 47,386.54).

Figure 2 : Skills composition of migrant workers: 1994 and 2019



Source: author's illustration using CBSL (1994, 2019).

Table 1: Migrant workers' monthly wages and remittances

Occupation	No. of observations	Average wages (LKR)	Average remittances in (LKR)	Remittance as % of wages
Female domestic workers	170	47,386.54	36,616.03	77
Labourers	111	48,955.12	34,871.39	71
Drivers	106	69,403.21	50,015.77	72
Other occupations	263	105,493.2	61,797.75	59

Source: author's calculations based on micro data collected for ILO (2020a).

2.1 FBR ban and the regulatory framework

In Sri Lanka, responsibility for labour migration-related policy formulation lies with the Foreign Employment Division, which is currently under the State Ministry of Foreign Employment Promotions and Market Diversification. Regulation of the industry is performed by the Sri Lanka Bureau of Foreign Employment (SLBFE). Other key stakeholders include recruitment agents, both private and governmental, as well as informal sub-agents, international organizations the research community, and civil society organizations, among others. The main provisions of the FBR policy were initially formulated in 2007 by the Ministry of Women's Affairs and Child Protection and were fully implemented in July 2013 by the then Ministry of Foreign Employment Promotion and Welfare and the SLBFE. Initially, they covered those with children under the age of five who were moving abroad to undertake female domestic work. Mothers of older children were allowed to migrate abroad for domestic work, subject to demonstrating they had satisfactory alternative care arrangements in place to ensure the protection of children left behind. The first FBR circular imposed a minimum age limit for Saudi Arabia of 25 years, 23 years for other Middle-Eastern countries, and 21 years for all other countries, while the maximum age was capped at 55 years for all countries. In August 2015, the policy was further extended to cover all women seeking foreign employment, and the upper age limit for those required to fill in the FBR was revised to 50 years, followed by a further downward revision to 45 years in 2017.

By 2020, the FBR policy had been revisited several times. For instance, in 2016, lobbying by different stakeholders resulted in a review of the FBR policy by a parliamentary sub-committee.

As noted by Weeraratne (2018), the ministry in charge and the SLBFE encouraged repealing the FBR based on evidence in the literature and stakeholder perceptions. However, the sub-committee favoured continuation of the policy. In January 2017, the FBR decision-making mechanism was revised to enable a divisional secretariat committee to make recommendations for each female migrant worker and, in November 2020, the policy was revised to enable faster FBR processing for females without children by introducing separate FBR forms for females with and without children.

3 Literature review

The new economic of labour migration (NELM) theory links temporary migration to diversify household incomes and accumulate cash and a subsequent return with the means for solving the specific household economic problems that prompted the labour migration (Massey 2015). By shifting the focus from individual independence to mutual interdependence, NELM considers migration as a 'livelihood strategy to overcome various market constraints, potentially enabling households to invest in productive activities and improve their livelihoods' (de Haas 2007: 6). With this shift, instead of being seen as splitting the family, migration can be 'fruitfully viewed as an intertemporal proposition generating streams of various benefits to both migrants and their families' (Stark and Lucas 1988: 478). These theoretical developments emphasize the efficiency, flexibility, and the dynamic comparative advantage of the family and the role of self-enforcing, cooperative, implicit familial contracts (Stark and Lucas 1988). However, when the micro-level efficacy of migration is misaligned with macro-level priorities, governments intervene to balance the competing interests and manage migration with policies, including bans (Massey 2015). Such blanket policies disregard the intra-familial ability to make a well-calculated migration decision best suited at the household level.

Many countries, such as the Philippines, Cambodia, Laos, Myanmar, Indonesia, Nepal, India, Bangladesh, Pakistan, and Sri Lanka, have imposed age restrictions, consent requirements, or bans on female migration based on macro-level objectives (Napier-Moore 2017). In 1988, the Philippines banned all outward migration for domestic work, while the most recent ban was in January 2020 (EU Parliament 2011; Henderson et al. 2020). In Nepal, the restrictions began in 1985 with the requirement for females to have their guardian's consent and, by 2017, there was a complete ban on all females going abroad for domestic work. Nepali restrictions aimed 'to protect women from many risks, including long working hours, sexual violence, physical abuse and economic exploitation' as well as from trafficking (Pyakurel 2018: 651–52). In Bangladesh, a ban on the migration of semi-skilled and unskilled females was imposed in 1981 to 'protect their dignity abroad'. By 1988, this ban was changed to a restriction on unskilled and semi-skilled women, followed by a ban on most categories of women in 1997 (Siddiqui 2008).

Official statistics show the changes in worker departures caused by migration bans. The FBR policy in Sri Lanka led to a decrease in female worker migration (Weeraratne 2016, 2018), while banning female migration along the Nepal–Lebanon corridor increased the number of labour permits issued for Kuwait, and removal of the ban doubled the proportion of female labour migrants (ILO 2015). However, official data on labour migration is incomplete as women continue to travel without permits, with visitor/tourist visas, through convoluted routes, bribing officials, and forging documents (Expert Committee 2020; ILO 2015; Napier-Moor, 2017). This continued labour migration despite bans is mainly undertaken to overcome economic constraints. For instance, Nepali females live in conditions of economic insecurity with heavy responsibilities for children, parents, and other relatives and with few employment options, necessitating alternative channels of migration (ILO 2015). Migration bans thus also lead to illegal migration, increased

migration costs and vulnerability, and, at times, to trafficking. As such, Napier-Moore (2017) highlights the importance of livelihood access and gender empowerment in countries of origin to enable females to make a migration choice without any compulsion. Similarly, well-managed bans can also result in improving conditions for migrant workers. For instance, ‘16 governments signed bilateral agreements with the Philippines, detailing work conditions and protections’ (Napier-Moore 2017: 70) after the ban in 1988, and more recent bans resulted in Denmark and Saudi Arabia agreeing to improve the wellbeing of Filipino workers (EU Parliament 2011; Henderson et al. 2020).

In terms of the impact of Sri Lanka’s FBR policy, Weeraratne (2016) estimated a 459–812 decrease in the number of departures of FDWs per month, and Weeraratne (2018) estimated a monthly drop of 53–69 for other female workers. Other effects of the policy include departures for employment using ‘visitor’ or ‘tourist’ visas, mis-reporting employment classification (FDWs posing as cleaners), and forging credentials (Expert Committee 2020; Weeraratne 2016, 2018; UN 2015). Such departures without a guarantee of a work visa or a clearly defined occupation and the emergence of a market for deception and forgery increase recruitment costs and place female migrant workers in insecure situations throughout the migration cycle. The implications of the FBR policy on migrants and their families is restrictive, which narrows the household’s employment options, destabilizes its fiscal strategies, and potentially harms multiple generations of kin (Gamburd 2020).

The FBR policy has also been criticized for a lack of consultation before it was implemented, culminating in a court case in 2015 (Selvanayagam 2015; UN (2015)). Other criticism includes a lack of focus on alternatives for those banned. The UN (2015: 48) noted that ‘there is only superficial proposing of stereotyped alternatives with the availability of such being minimal’, and the provision of alternatives for foreign employment is often dismissed as ‘when the woman’s mind is set to migrate, alternatives do not matter to them’. As such, the literature highlights the importance of extending the policy to provide alternative income-earning sources and transforming the FBR requirement into a long-term ‘plan to help families’ (Weeraratne 2014; IPS 2015). The overall scepticism of the FBR is summarized in the words of Gamburd (n.d.): ‘proportionally, migrant cases with serious negative outcomes for children were exceptions, and ... they should be handled by the social services profession, rather than addressed with blanket policies’ as ‘the remedy is worse than the original problem’ (Gamburd n.d.: 17).

Existing empirical analyses of the FBR policy and of other countries’ bans on migration have mainly focused on FDWs. However, there have been many migration bans and restrictions that have targeted female migrant workers in other skills groups. For example, the 1988 ban in the Philippines, the 1992 and 2008 bans in Nepal, and the 2015 FBR requirement in Sri Lanka focused on all women, while the 1991 age restriction in the Philippines targeted entertainers, and the late-1970s ban in Bangladesh and the 2014 ban in Nepal focused on low-/unskilled workers. As such, labour migration bans have been restricting various skills groups while the analyses have overly focused only on FDWs. Given that there has been no analysis of migrant workers at both extremes of the skills distribution, such as unskilled and professional workers, it is important to acknowledge the heterogeneity of female workers outside the FDW group. It is only by taking a heterogeneous approach that we can understand the implications of the ban for different skills groups of females. This study therefore fills this gap in the literature and aims to understand the skills-differentiated impact of the FBR policy on females to facilitate equitable policies to protect the wellbeing of all types of female migrant workers across different skill groups. Relying on existing quantitative impact assessments of migration bans (Weeraratne 2016, 2018; Theoharides 2014), this study also adopts a DID methodology.

4 Data sources and study design

The study uses the SLBFE's monthly female departure statistics from 2012 to 2019. This data is disaggregated by skills categories and age. The seven skills categories are FDW, unskilled, semi-skilled, skilled, clerical, middle-level, and professional skills. Table 2 gives a summary of monthly departure statistics for selected¹ age groups across all available skills groups from 2012 to 2019 for before and after the introduction of the FBR. Before the FBR, the average monthly FDW departures in the 25–29 years age group were 1,420, and 544 after.

The DID methodology is based on the variation in departure data before and after the introduction of the FBR policy for two age groups of migrant workers who were and were not affected by the policy. These groups serve as the treatment and comparison groups, respectively. The comparison group accounts for other possible reasons that may have affected average departures during the period considered. When analysing the impact of the introduction of the FBR, the treatment and comparison groups are developed based on the fertility characteristics of females, as the FBR policy is most restrictive to females with young children. As shown in Figure 3, females aged 25–29 years are the most fertile and thus associated with having young children (DCS and MOH 2017). As such, those aged 25–29 years constitute the treatment group, denoted by $TREAT = 1$. Those in the 45–49 years age group are considered the comparison group (denoted as $TREAT = 0$) due to their relatively low fertility rate and the low likelihood of them having young children.

Table 2: Average female departures before FBR

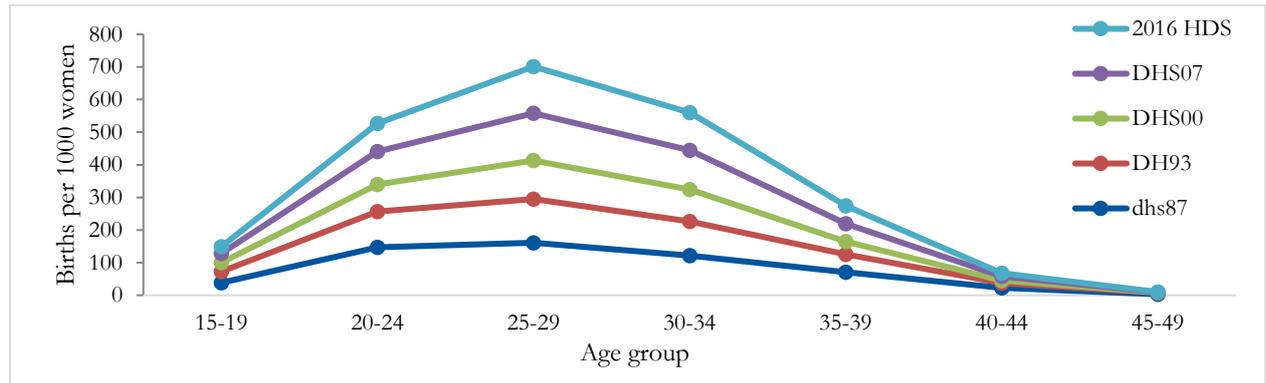
Skills group	Age group in years	Departures per month					
		No. of months	Before	Std. dev.	No. of months	After	Std. dev.
FDW	25-29	18	1,420	210	78	544	236
	45-49	18	1,414	180	78	1,123	190
Unskilled	25-29	43	116	18	53	84	14
	45-49	43	126	27	53	139	28
Semi-skilled	25-29	43	9	3	53	6	3
	45-49	43	3	2	53	3	2
Skilled	25-29	43	122	26	53	71	17
	45-49	43	32	7	53	30	11
Clerical	25-29	43	29	7	53	33	8
	45-49	43	9	4	53	12	4
Middle level	25-29	43	13	5	53	19	5
	45-49	43	4	3	53	6	4
Professional	25-29	43	8	3	53	11	6
	45-49	43	4	3	53	4	3

Notes: for FDW, the 'before' data period is January 2012 to June 2013, while the 'after' period is from July 2013 to December 2019. For the other skills groups, the 'before' data period is January 2012 to July 2015, while the 'after' period is from August 2015 to December 2019.

Source: author's calculations using SLBFE monthly departure data.

¹ Selected based on the use of these age groups in the subsequent analysis.

Figure 3: Fertility by age group of females in Sri Lanka 1987–2016



Source: author's illustration based on DCS and MOH (2017) and Weeraratne (2018).

The regression models are estimated as follows:

$$Y_{it} = \alpha + \beta_1 TREAT + \beta_2 AFTER + \beta_3 (TREAT \times AFTER) + \varepsilon_{it} \quad (1)$$

where, Y_{it} is the average monthly departures of female migrant workers in group i during time t . The indicator $AFTER = 1$ for all months after the introduction of the FBR policy and $AFTER = 0$ for all months before (see Table 3). The coefficient on the interaction term β_3 is the causal effect of the FBR policy on average monthly departures. The intertemporal variation in the treatment and comparison groups ensures the identification of the treatment effect. In addition to examining the causal effect of the introduction of the FBR policy, this study also analyses the impact of removing the same restriction from older age groups. In that analysis, the treatment group is considered as those who experienced removal of the age restriction, while the comparison group is those who did not experience any change in the restriction.

The underlying assumption for the DID methodology is that, if it were not for the policy, the treatment and comparison groups would experience similar monthly departure trends. For DID methodology to yield results, the exogenous variation in the policy has to immediately impact the outcome variable considered. As methodologically required, the first introduction of the FBR policy in June 2013, its subsequent expansion in August 2015 to cover all females, and revision of the upper age limit in January 2017 were implemented immediately by the SLBFE.

5 Estimations and results

Among the alternative empirical specifications in Table 3, the DID models are initially estimated to examine the causal impact of introducing the FBR policy on FDW and other skills groups (specifications 1 and 2). Table 4 reports the estimation results based on data from January 2012 to December 2016. Before estimating these main models, the parallel trends assumption between the respective treatment and comparison groups were checked and validated, as shown in Figure A1 in the Appendix.

Column (1) in Table 4 corresponds to FDWs, while the subsequent columns are for other skills groups. In the FDW model, the interaction term between $TREAT$ and $AFTER$ indicates a decline of 496 FDW departures per month. Relative to the average of 1,420 departures in the treatment group (see Table 2), this corresponds to a 34 per cent decline in departures. Similarly, in the case

of unskilled workers, there is a decline in monthly departures of 33 migrants or 28 per cent relative to the average pre-FBR departures. In the case of semi-skilled and skilled workers, there is a decline of two (or 28 per cent relative to the average) and 48 (or 39 per cent relative to the average) migrant workers per month, respectively. While these declines are consistent with the expected outcomes of the policy intervention, the models for middle-level and professional categories report increases in departures due to the introduction of the FBR in 2015. Specifically for middle-level workers, there is an increase in departures of six workers (48 per cent of average departures) per month and three (or 34 per cent of average departures) per month for professional workers.

To check for sensitivity of the results to choice of treatment and comparison groups, alternative models were estimated² by changing the treatment group to those aged 30–34 years, the comparison group to 40–45 years, and by changing both the treatment and comparison groups to 30–34 years and 40–45 years, respectively. In all three alternative specifications, consistent statistically significant negative coefficients were seen for the interaction term across the models for FDW, unskilled, semi-skilled, and skilled workers, while positive coefficients were seen for middle-level and professional workers. Together, these findings confirm that the FBR policy has had a negative causal impact on women with relatively lower skills, and a positive impact on those in higher skills groups.

In order to test whether these findings are due to the introduction of the FBR policy, a placebo test (post-policy placebo test) is conducted with the policy change indicator AFTER being hypothetically set to March 2016 and the data period set to after the actual policy effect—that is from August 2015 to December 2016 inclusive (both extremes). As reported in Table 5, the interaction terms were statistically significant in none of the models. This confirms that the previous results in Table 4 and the sensitivity analysis are robust to the post-placebo test and that the changes in departures are caused by the FBR policy change.

Table 3: Summary of data used by treatment /comparison groups and before/after policy changes

Specification no.	Skills group	Age group	Before	After
			Restricted by FBR	
1	FDW	25-29 years (T)	Jan 2012–Jun 2013	Jul 2013–Dec 2016
			Not restricted	Restricted
		45-49 years ©	Not restricted	Not restricted
2	Other than FDWs	25-29 years (T)	Jan 2012–Jul 2015	Aug 2015–Dec 2016
			Not restricted	Restricted
		45-49 years ©	Not restricted	Not restricted
3	All skills groups	40-44 ©	Aug 2015–Dec 2016	Jan 2017–Dec 2019
			Not exempted	Not exempted
		45-49 years (T)	Not exempted	Exempted

Source: author.

² Results can be provided on request from the author.

Table 4: Main model—impact of introducing the FBR policy ages 25–29 vs 45–49

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	FDW	Unskilled	Semi-skilled	Skilled	Clerical	Middle-level	Professional
TREAT=1	5.722 (0.09)	-9.581 (-1.98)	5.837*** (12.03)	89.60*** (24.89)	20.81*** (15.93)	9.070*** (10.23)	3.395*** (5.27)
AFTER=1	-210.3*** (-3.84)	10.66 (1.66)	0.286 (0.45)	-10.81* (-2.26)	1.784 (1.03)	0.740 (0.63)	-0.657 (-0.77)
T=1 # A=1	-496.4*** (-6.41)	-32.95*** (-3.62)	-2.484** (-2.73)	-47.66*** (-7.05)	1.774 (0.72)	6.224*** (3.74)	2.722* (2.25)
Constant	1,414.3*** (30.86)	125.5*** (36.64)	3.302*** (9.62)	31.93*** (12.54)	8.628*** (9.34)	3.907*** (6.23)	4.186*** (9.19)
R ²	0.702	0.237	0.592	0.870	0.765	0.677	0.358
Observations	120	120	120	120	120	120	120
T=1 # A=1 as a % of average before FBR T group departures	-35%	-28%	-28%	-39%		48%	34%

Note: *t* statistics in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. Shaded to indicate different date in AFTER=after 2013 July, others; AFTER=after 2015 Aug; T=1 if age with 25-29 years, T=0 if age within 45-49 years.

Source: author.

Table 5: Post-policy placebo test—FBR policy intervention hypothetically set to March 2016

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	FDW	Unskilled	Semi-skilled	Skilled	Clerical	Middle-level	Professional
TREAT=1	-503.1*** (-9.22)	-40.57*** (-3.71)	2.571* (2.29)	36*** (9.14)	17.29*** (4.75)	13.86*** (6.51)	6.000*** (3.72)
PLACEBO=1	-36.93 (-0.73)	10.50 (1.04)	0.271 (0.26)	2.871 (0.79)	-1.000 (-0.30)	-0.114 (-0.06)	-0.314 (-0.21)
T=1 # P=1	-64.56 (-0.91)	-3.329 (-0.23)	1.329 (0.91)	10.10 (1.97)	9.014 (1.90)	2.443 (0.88)	0.200 (0.10)
Constant	1,097.4*** (28.45)	130.0*** (16.83)	3.429*** (4.32)	19.43*** (6.98)	11*** (4.27)	4.714** (3.13)	3.714** (3.25)
R ²	0.890	0.561	0.446	0.906	0.768	0.808	0.538
Observations	34	34	34	34	34	34	34

Note: *t* statistics in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Source: author.

A second placebo test (pre-policy placebo test) is performed for groups other than the FDW group, covering the data period from January 2012 to July 2015, to overlap with the time when the FBR was not applicable to skills groups outside FDWs. The hypothetical policy intervention is set to July 2013 to coincide with the FBR policy on FDWs. In the interest of space, Table 6 reports

only³ the interaction terms under various combinations of treatment and comparison groups. As shown in column 3, when the FBR policy was introduced to FDW, while semi-skilled workers were not yet covered by the FBR, their departures increased by three per month or 34 per cent. Similarly, the introduction of the FBR for FDWs resulted in an increase in departures of middle-level workers by three to six migrant workers per month or 37–49 per cent relative to pre-FBR average departures in the treatment group. The introduction of the FBR policy for FDWs in 2013 and the unexpected causal impact of increased departures in middle-level workers is consistent with the finding in Table 4. Moreover, this finding also indicates that the positive coefficient for the middle-level workers seen in Table 4 is likely to be a continued increase in departures from 2013.

At the same time, Table 6 shows a statistically significant decrease in departures for the skilled worker group (-15 to -22 per cent). This is likely due to misunderstanding of the coverage of the policy and a related voluntary decrease in departures, as UN (2015) criticized the implementation of the FBR for a lack of consultation and awareness building, in particular. It is important to note that for the professional group, this pre-policy placebo test reported in Table 6 has no statistically significant results. Hence, the positive effect of the FBR on professionals seen in Table 4 is purely due to the expansion of FBRs to all skills groups in 2015.

Table 6: Pre-policy placebo test—FBR policy intervention hypothetically set to July 2013 for skills groups other than FDW

	(1) Unskilled	(2) Semi-skilled	(3) Skilled	(4) Clerical	(5) Middle level	(6) Professional
Interaction Term PLACEBO=1 if after July 2013						
T= 25-29 ; C=45-49	-6.733	-0.662	-26.86***	3.789	6.331***	0.967
T= 30-34 ; C=45-49	-6.702	1.953	-11.14	4.004	3.393*	1.467
T= 25-29 ; C=40-44	-1.547	-0.058	-18.77*	2.920	4.847**	1.464
T= 30-34 ; C=40-44	-1.516	2.558*	-3.053	3.136	1.909	1.964
Interaction Term as % of pre-intervention average departures of treatment group						
T= 25-29 ; C=45-49			-22%		49%	
T= 30-34 ; C=45-49					38%	
T= 25-29 ; C=40-44			-15%		37%	
T= 30-34 ; C=40-44		34 %				

Note: * p < 0.05, ** p < 0.01, *** p < 0.001. In the interest of space, only coefficients of the interaction terms of the four alternative combinations for treatment and comparison groups are reported here. Full model results can be provided on request from the author.

Source: author.

As well as examining the restrictive nature of a ban on migration, the literature also shows it is important to understand how the removal of a ban increases migration (ILO 2015). The change in the FBR's upper age limit provides a unique opportunity to examine the impact of the removal of the ban from a specific age group when other age groups were still restricted by the ban. In January 2017, those over 45 years of age were exempted from the FBR ban, while the ban restricted younger age groups from migration. This exemption of specific age groups was considered by

³ Full model results can be provided on request from the author.

stakeholders to lead to upward bias in mis-reporting ages to avoid the FBR ban. If there was such a trend, those aged 40–44 years are the most likely group to mis-report they are aged 45–49. The next DID analysis is conducted for the period from 2015 August to December 2019, where the removal of the FBR restriction from those in the 45–49 age group in January 2017 is considered to be the policy intervention. Thus, TREAT=1 for those in the 45–49 age group, as this group experienced the policy change between 2015 and 2017, and TREAT=0 for those in the 40–44 age group, as they remained restricted by the FBR policy throughout the period. The period January 2017 is set as AFTER=1 and 0 otherwise. The parallel trends assumption was confirmed as shown in Figure A2 in the Appendix. As shown in Table 7, the interaction term was not statistically significant in any of the models. The quantitative findings therefore confirm that the removal of the restriction for the 45–49 age group has not resulted in any change in departures of workers in this age group in any of the skills groups considered. This finding reflects several nuances of labour migration. First, female migrant workers in the 45–49 age group were not affected by the FBR policy, possibly due to not having young children. As such, their exemption in 2017 from the FBR restriction was appropriate. This also confirms the validity of selecting this age group as the comparison group in Table 4. Second, this refutes the stakeholder perception and confirms the absence of any empirical evidence of mis-reporting age in the 45–49 years group after 2017 to avoid the FBR policy.

Table 7: Impact of exemption from FBR policy, ages 45–49 vs 40–44

	(1) FDW	(2) Unskilled	(3) Semi- skilled	(4) Skilled	(5) Clerical	(6) Middle level	(7) Professional
T2_exempt=1	0.765 (0.02)	-6.412 (-0.69)	-0.588 (-0.82)	-11.18*** (-3.53)	-1.412 (-0.88)	-2.412 (-1.42)	-1.059 (-0.99)
after_ex=1	-55.00 (-1.34)	-3.060 (-0.38)	-1.176 (-1.91)	8.484** (3.13)	1.454 (1.05)	1.163 (0.80)	1.356 (1.48)
T2 =1 # after_ex=1	7.291 (0.13)	7.440 (0.66)	0.366 (0.42)	3.538 (0.92)	0.662 (0.34)	0.301 (0.15)	-0.580 (-0.45)
Constant	1,074.9*** (31.87)	142.6*** (21.68)	4.176*** (8.23)	32.29*** (14.44)	11.82*** (10.41)	7.059*** (5.86)	4.588*** (6.07)
R ²	0.030	0.005	0.056	0.344	0.043	0.063	0.078
Observations	106	106	106	106	106	106	106

Note: t statistics in parentheses. * p < 0.05, ** p < 0.01, *** p < 0.001.

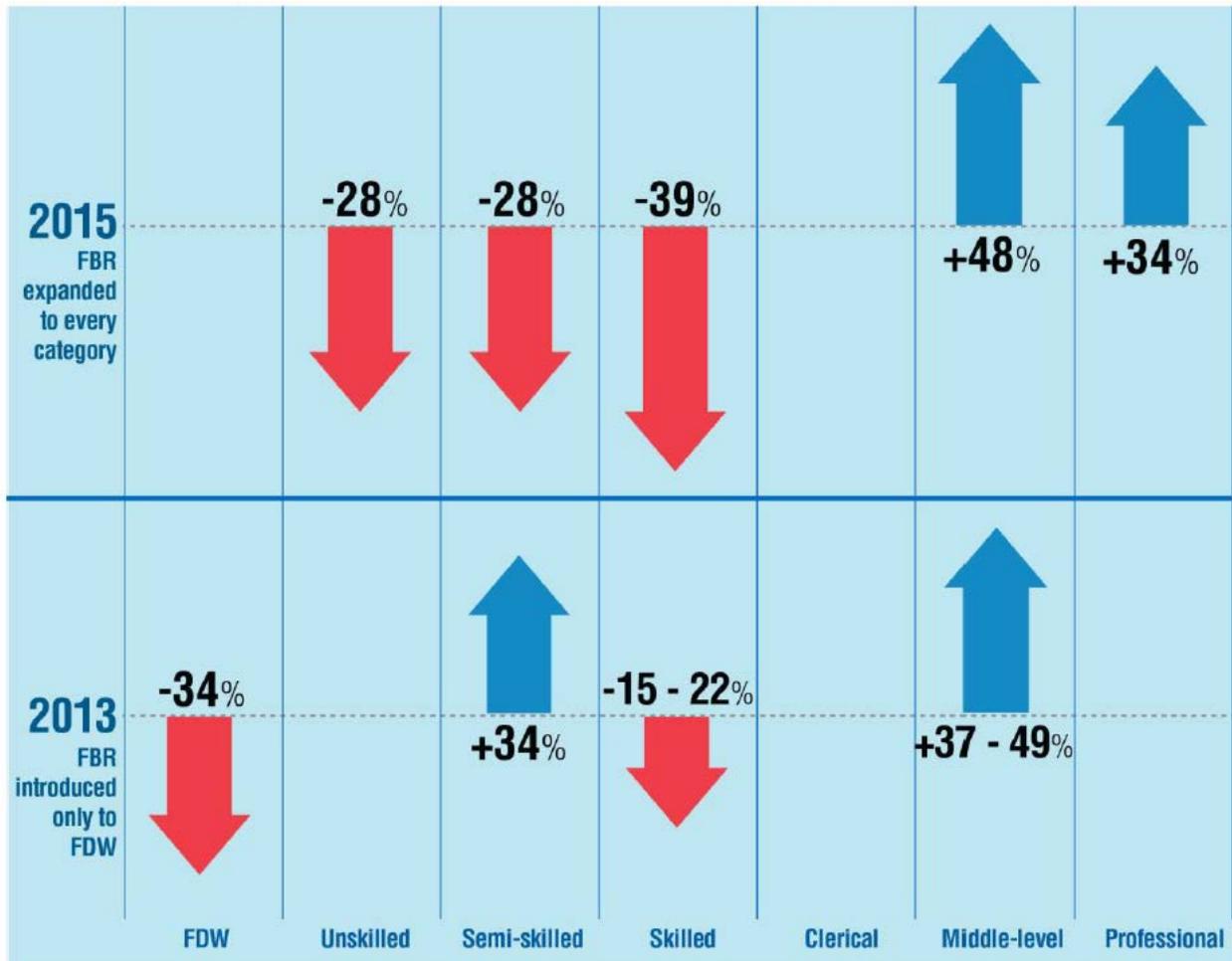
Source: author.

6 Implications

The synthesis of the above results from the main model and the placebo tests provides strong empirical evidence that the FBR policy has had a skills-differentiated impact on female labour migration from Sri Lanka. On the left tail of the skills distribution of female migrant workers, the FBR ban decreased the migration of FDWs and unskilled female workers in 2013 and 2015 respectively (see Figure 4). In the middle of the skills distribution the results are mixed. For semi-skilled female workers, the introduction of the FBR on FDWs in 2013 resulted in an increase in departures, followed by a decrease in departures when the policy was expanded in 2015 to cover other categories including semi-skilled workers. Monthly departures of skilled workers declined in 2013 when the FBR was introduced, and there was a further decrease in monthly departures when the policy was expanded to cover other categories including skilled workers. For clerical and related female workers there is robust evidence that the ban had no impact on departures in 2013 or in 2015. For middle-level female workers, the FBR policy initially led to a highly statistically significant and robust increase in monthly departures when the policy was introduced only to FDW

in 2013, and there was a further increase after the expansion of the policy in 2015 to cover other categories including middle-level workers. On the right tail of the skills distribution, there is some evidence that the FBR policy has encouraged the labour migration of the professional group of workers. Overall, the introduction of the FBR policy was therefore restrictive for workers on the lower rungs of the skills distribution, while it facilitated departures for higher-skilled workers.

Figure 4: Implications of the FBR on different skills groups



Source: author.

Two prominent questions emerge from these skills-differentiated implications of the FBR policy: (i) how did the FBR policy which was introduced only for FDWs in 2013 have implications for skills groups not yet covered by the policy?; and (ii) how did the expansion of the FBR policy to all skills categories in 2015 result in increasing departures for higher-skilled groups? In addressing these questions, the existing literature and qualitative validation of the findings provide some guidance. For instance, ILO (2020), IOM (2018), UN (2015), and Weeraratne (2018) show that the restrictive nature of the policy for FDWs created avenues for them to bypass the FBR requirement, for example by forging FBR certificates, bribing a ‘local-level village administrator to write a certificate with false information about parental status’ (Gamburd 2020: 195), and threatening officials to alter FBRs (IOM 2018). Similarly, Silva (2019: 65) showed that making a ‘fake birth certificate or a national identity card [and an associated passport] is simple’ in Sri Lanka. With such falsified documents, FDWs and unskilled workers are likely to have departed for foreign employment by claiming they did not have children or registering under other skills categories.

Hence, the FBR policy has inadvertently created an impetus for informal and illegal activities among lower-skilled female migrant workers through their attempts to circumvent the policy. These activities are often carried out with the support of stakeholders in the migration recruitment process. For instance, IOM (2018) and ILO (2020) showed that licensed recruitment agents entrusted sub-agents to falsify or forge FBRs. As a result, lower-skilled migrant workers who are already at a higher risk of exploitation and abuse in the recruitment and in-service phases of the labour migration process are likely to become more vulnerable when they collaborate with these stakeholders to work around the FBR policy (ILO 2020). Moreover, the FBR policy 'adds to the recruitment cost for females who are eligible to migrate for employment' (ILO 2020: 49). These additional costs are for both formal and informal activities. If a female worker finances these extra costs herself, this adds to her recruitment costs and thus makes her more likely to silently endure exploitation and abuse until she recovers the high recruitment cost already paid. In the case of FDWs migrating to some countries, such pre-departure expenses are financed by the recruitment agent or sub-agent using the upfront recruitment fees paid by the employer (ILO 2020; Silva 2019; Weeraratne 2018). In such cases, the potential migrant worker loses her bargaining power with the recruitment agent and employer, leading to lower wage negotiations, lower wage outcomes, higher recruitment costs, and situations akin to trafficking, which risk her safety and protection (Weeraratne 2020). Moreover, if faced with such issues, the government does not take responsibility for the migrants who migrate illegally (Silva, 2019). Nevertheless, Abeyasekera and Jayasundere (2015: 20) showed that as a result of high demand in Middle-Eastern countries for domestic workers and the associated incentives paid, 'women were willing to bypass the law to migrate even though it posed a risk to their own safety and security'.

This continued motivation to seek foreign employment despite the FBR policy has been further fuelled by the limited availability of alternative employment opportunities in Sri Lanka. For instance, the literature shows that for many of the females seeking domestic work abroad, there are no alternative employment opportunities in Sri Lanka and that they were unemployed or underemployed before seeking to work abroad (Caritas Sri Lanka n.d; Human Rights Watch 2007; SLBFE 2012; Weeraratne 2020). Thus, when the FBR restricts females' chances of foreign employment without offering alternative employment within the country, then circumventing the restrictions and pursuing foreign employment seems the only path open to them to obtain a job.

The Expert Committee (2020) and a key informant interview further highlighted that recruitment agents initiated mis-reporting of employment classification to avoid the FBR policy. Specifically, between 2013 and 2015, FDWs were mis-reported as being in other categories which were not yet covered by the FBR policy. As shown in the literature, one of the reasons why recruitment agents resort to FBR-related corruption is to avoid unnecessary delays in the recruitment process caused by the policy. For instance, ILO (2020: 28) showed that 'although the legal processing time is two weeks, ... it takes a period of a month to two months to process an FBR. This significantly prolongs the entire recruitment process for eligible women'. However, as indicated during the key informant interview with a recruitment agent, obtaining an FBR for a professional female was easier than for a FDW. Due to such ease and speed in obtaining FBRs for higher-skilled workers, some recruitment agents preferred 'to stay away from recruiting females, especially into the domestic sector' and focus instead on other categories (IOM 2018: 40). These disparities in the time and ease across skills levels involved in obtaining FBR clearance were mainly due to the difference in the intensity and rigour of implementing the policy across different skills groups. This was underscored by ILO (2018: 8), which showed that the emphasis on implementation of the policy was mainly 'on the lower rungs of semiskilled women' while many 'women at the professional and skilled levels, remain outside the purview of this monitoring mechanism' of the FBR policy. Taken together, these recruitment-related implications led to fewer job orders and

related employment opportunities for FDWs, but increased these opportunities for the semi-skilled, middle-level, and professional worker categories.

Thus, as well as leading to a decline in the departures of lower-skilled workers, the FBR policy has led to lower-skilled workers being more involved in recruitment-related corruption, having greater exposure to recruitment-related vulnerability, and having fewer foreign employment opportunities. However, for higher-skilled workers, the FBR policy has increased the number of departures and employment opportunities without any changes to their involvement in corruption or vulnerability.

7 Summary and policy recommendations

This study adopted DID methodology using monthly departure statistics for various skills groups to analyse the skills-differentiated impact of the FBR policy on female worker migration. The analysis confirms that the introduction of the policy has had a highly statistically significant and robust negative impact on departures of female domestic workers and unskilled female workers; has had a highly statistically significant and robust positive impact on departures of middle-level workers; there is some evidence of a positive impact on professional female workers; and there has been no change in the departures of clerical and related female workers. The findings on the increase in departures of higher-skilled workers are consistent with those in the existing literature concerning FBR-related corruption and the mis-reporting of skills to avoid the policy. Thus, in addition to the decline in departures of lower-skilled workers, the findings show that the FBR policy has led to lower-skilled workers being more involved in recruitment-related corruption, having greater exposure to recruitment-related vulnerability, and having fewer foreign employment opportunities. By contrast, higher-skilled workers have had a higher number of departures and employment opportunities and there has been no change to their involvement in corruption or exposure to vulnerability. The study also finds empirical evidence that it was appropriate to exempt the 45–49 years age group from the FBR requirement in 2017.

In conclusion, the FBR policy has only been partially successful in its objective to restrict the departures of female migrant workers with young children, as it is only the lower-skilled workers who are restricted, while higher-skilled workers continue to migrate. Future revisions to the FBR policy should focus on eliminating these adverse skills-differentiated implications by consistently implementing the policy across all skills groups, with a view to discouraging FBR-related corruption and vulnerability. Moreover, the policy should be simplified so that it restricts only a few critical cases, as greater regulation inevitably leads to corruption. This could be achieved by transitioning the FBR from a restrictive and punitive approach to a more protective approach that enhances the availability and flexibility of pathways for regular migration (UN 2019). Finally, the FBR policy should provide alternative employment opportunities in Sri Lanka for low-skilled female workers who are barred from foreign employment, and should ensure sufficient foreign employment opportunities for those who are not restricted. Here, Sri Lanka can learn from Nepali experience and introduce a pro-poor and pro-marginalized category approach to reserve quotas for foreign employment through recruitment agencies for disadvantaged groups (Pyakurel 2018).

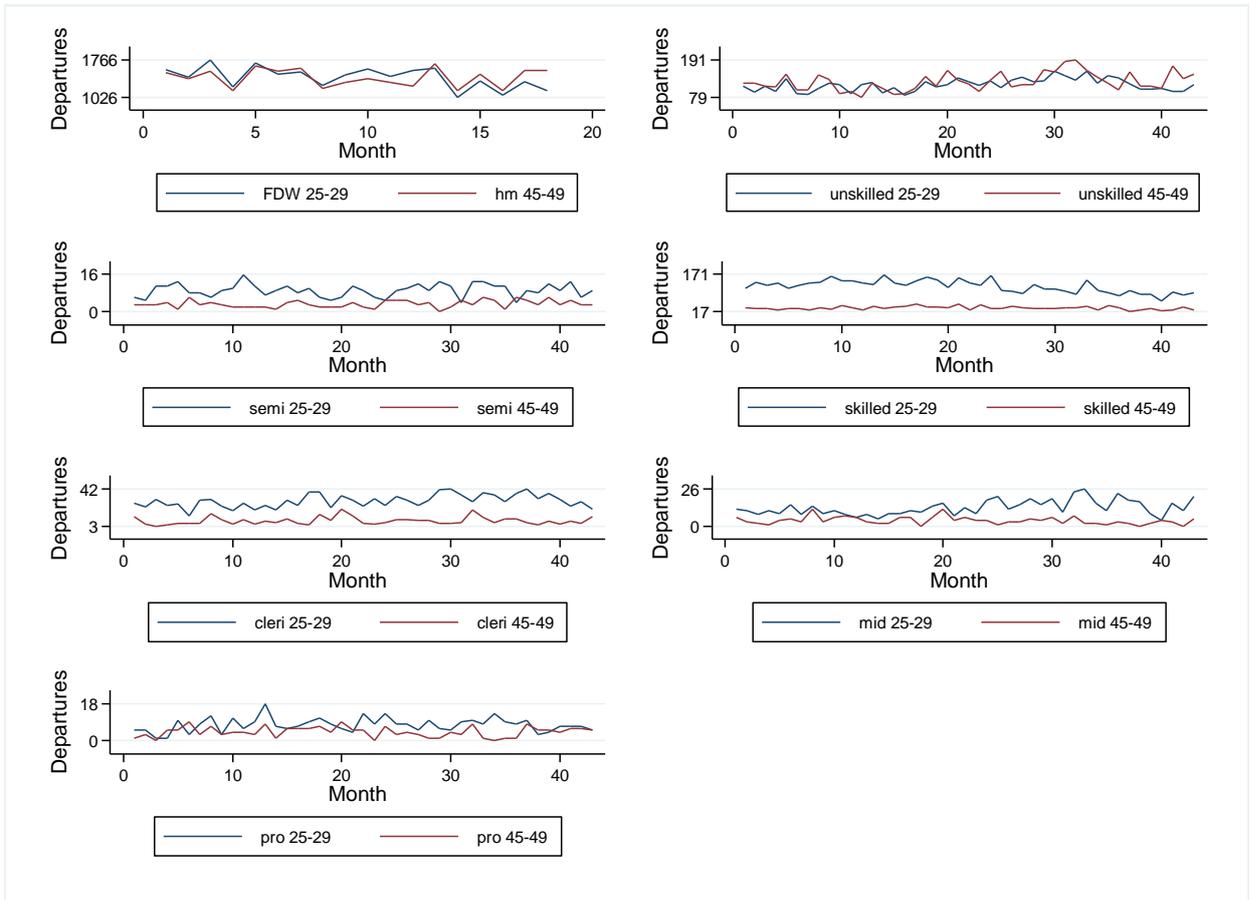
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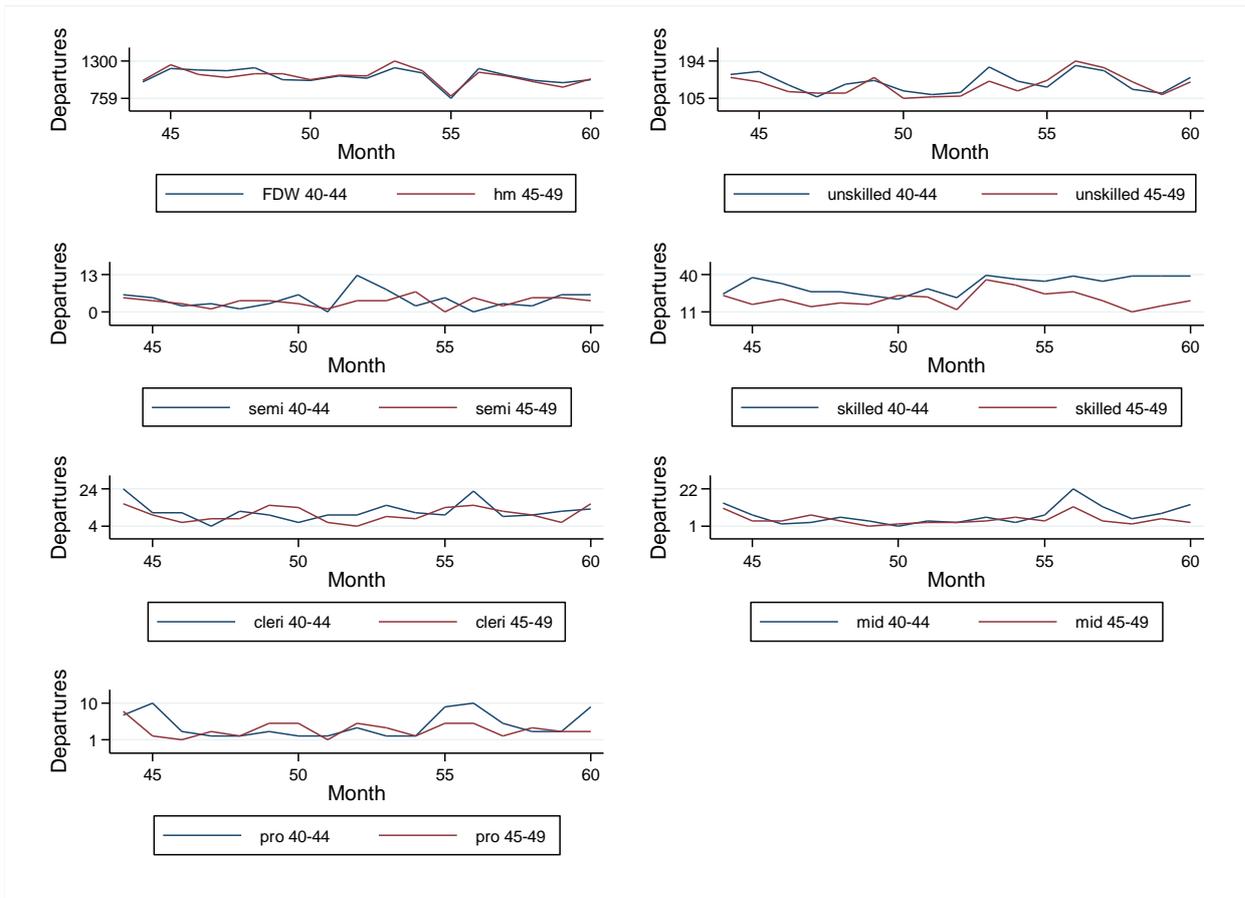
Appendix

Figure A1: Pre-FBR parallel trends between treatment and comparison groups by skills groups for models in



Source: author.

Figure A2: Parallel trends between treatment and comparison groups by skills groups for models in



Source: author.